RUSHLIFT LIMITED

Annual Report and Financial Statements for the Year Ended 31 December 2019

Contents of the Financial Statements for the Year Ended 31 December 2019

RUSHLIFT LIMITED

Company Information
for the Year Ended 31 December 2019

DIRECTORS:	Mr S Y Hwang Mr C A Whyment Mr T J Willett Mr C Chung Mr S Park
REGISTERED OFFICE:	Unit 12 Kilvey Road Brackmills Industrial Estate Northampton NN4 7BQ
REGISTERED NUMBER:	05493140 (England and Wales)
SENIOR STATUTORY AUDITOR:	Paul Cheshire
INDEPENDENT AUDITORS:	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors Newcastle upon Tyne

The directors present their strategic report for the year ended 31 December 2019.

BUSINESS REVIEW AND PRINCIPAL ACTIVITIES
The principal activity of the company is that of the sale, hire, repair, servicing and fleet management of powered mechanical equipment.

Overall turnover achieved was £43,667K (2018: £44,768K). The company declared dividends during the year amounting to £700K (2018: £nil). There are no proposed dividends at the balance sheet date.

The company made an operating profit for the financial year of £1,947K (2018: £2,993K) and loss before tax for the financial year of £(725)K (2018: profit £882K) as shown in the statement of comprehensive income. The company had net assets of £9,356K (2018: £10,744K) at year end.

KEY PERFORMANCE INDICATORS
The Directors consider that the following key performance indicators are the most effective measures of the performance of the business. These measures are reviewed each month by senior management.

Key financial performance indicators and 2019 performance:

Key Performance Indicator (£'000)	2019	2018
Revenue	43,667	44,768
EBITA	1,947	2,993

Operational key performance indicators include fleet utilisation of 90%, service response times of 4 hours, reduction in fleet maintenance spend, chargeable service revenue growth, 85% contract renewal rates, customer fleet uptime of 96%.

POST BALANCE SHEET EVENTS
On 11 March 2020, the World Health Organisation declared the Coronavirus (COVID-19) outbreak to be a pandemic in recognition of its rapid spread across the globe. Many governments are taking increasingly stringent steps to help contain or delay the spread of the virus. Currently, there is a significant increase in economic uncertainty which is, for example, evidenced by more volatile asset prices and currency exchange rates.

For the company's 31 December 2019 financial statements, the Coronavirus outbreak and the related impacts are considered non-adjusting events. Consequently, there is no impact on the recognition and measurement of assets and liabilities. Due to the uncertainty of the outcome of the current events, the company cannot reasonably estimate the impact these events will have on the company's financial position, results of operations or cash flows in the future. The pandemic had a significant impact on the company and its parent group. However, the company and group have sufficient liquidity and capital resources, which has allowed it to meet working capital requirements throughout lockdown periods. The directors will continue to monitor the impact of the Coronavirus on the activities of the company.

PRINCIPAL RISKS AND UNCERTAINTIES

Foreign exchange risk
The Company has a nominal number of foreign currency denominated transactions each year. No significant currency balances are held at any one time.

Credit risk
All customers are credit checked upon opening a new account and subsequently monitored for changes in credit history. Saint Gobain is Rushlifts largest customer and equates to more than 25% of revenue.

All customers are rechecked prior to commencement of any new contract. Where trucks are sold rather that leased, sales are generally transacted once cleared funds are received by the company.

Liquidity risk
The company has a rigorous cash forecasting process to assess cash requirements. The company has consistently shown strong cash generation.

Interest rate risk
The Company's hire purchase borrowings are in the main subject to fixed interest charges. This allows Rushlift Limited to mitigate the risk of fluctuating rates of interest.

Brexit
The UK counterbalance market is still strong however following Brexit, there is a risk that the market may remain the same or reflect a slight decline. The Board continues to keep the possible implications of Brexit under review.

Brexit is unlikely to affect Rushlift operations significantly due to the vast majority of our products being supplied by Doosan Industrial Vehicle UK Limited (DIV UK). DIV UK is a South Korean owned company and significantly sources equipment from South Korea directly. UK and South Korea have a "free trade agreement" in place, which is unaffected by Brexit. All sales generated by the Company are in UK.

Covid-19
Upon the development of the Covid-19 situation the business took steps to mitigate the impact of the pandemic on the business, considering the different scenarios which could occur and measures that would be required to keep the business running in those scenarios and our people safe. This has involved consultation with customers, employees and suppliers so that we can all work together to best mitigate risks from this situation. As a result of this, the business has a plan which will ensure it survives this crisis and holds regular meetings and reviews to ensure that this continues to be the case in the face of an ever-evolving situation.

The UK counterbalance market has seen a decline during the pandemic. After the first lockdown in March 2020 there were some positive signs of recovery however the market did not recover to normal levels for the financial year. Rushlift Limited saw a decline in Q2 2020 for sales but this has started to recover in Q3. Over the same period, the profits in Rushlift have increased mainly due to a reduction in staff costs due to furlough and equipment maintenance. Changes to the organisational structure, streamlining of processes and stringent controls on spending are some of the steps management have taken to assure our continuity.

The latter two lockdowns have not impacted Sales as the first lockdown, however Rushlift sales are still down compared to normal. Rushlift continue to utilise the government furlough scheme in specific sectors.

SECTION 172 CORPORATE GOVERNANCE STATEMENT

The directors of the Company have acted in a way that they considered, in good faith, to be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard amongst other matters to:

- the likely consequences of any decision in the long term,
- the interests of the Company's employees,
- the need to foster the Company's business relationships with suppliers, customers and others,
- the impact of the Company's operations on the community and the environment,
- the desirability of the Company maintaining a reputation for high standards of business conduct,
- the need to act fairly as between members of the Company.

Considering the Company's stakeholders is an important way the board makes decisions, although in balancing those different perspectives, it won't always be possible to deliver everyone's desired outcome.

Decision making

Rushlift Limited is led by an Executive Leadership Team, comprising of the CEO, CFO, COO and a number of directors, to provide strategic and operational leadership for the Company. Budgets are prepared by senior management to bear in mind long term impact to the business and discussed with Doosan Corporation on an annual basis.

Doosan Material Handling UK Ltd is the only shareholder of Rushlift Limited. The purpose of Rushlift Limited is to sell, hire, repair, service and the management of powered mechanical equipment in the UK market as an extension of the wider division, therefore its purpose is by default to act in the interest of its member. Rushlift Limited actively works with the Doosan Corporation group management team to execute their strategy in the UK market.

Strategy

Stakeholders are at the core of the Rushlift Limited's business which is focused on building trusted and long-lasting relationships.

Throughout the year, there are quarterly strategic and operational business reviews initiated by the Board of Directors in order to assist business planning. In addition to this, a programme of Executive level engagement with respective customer counterparts is planned, to manage the strategic agenda and maintain relationships from Board level through to operational delivery.

Rushlift Limited is a people-based organisation and the Board of Directors place people strategy high on their agenda. On an annual basis, the Board of Directors appraises the people strategy to ensure critical talent and key skills are maintained and developed within the organisation to meet the short and long-term business goals. By having this people strategy implemented ensures that the Directors acts fairly among the members of the Company.

Driving towards a lower carbon future has taken ever greater prominence in the strategic direction and focus of the Board of Directors and its management team. In 2020 Doosan will launch its new high performance Euro stage V fuel efficient engines, these are designed for improving productivity and emit less emissions.

Our key stakeholders

Customers

Ensuring Customer satisfaction is central to the values of the Board of Directors. Through its customers the Company generates and maintains a reputation that will extend across its markets and assist in the growth of the business. To maintain this harmonious relationship between our customers it is essential for Rushlift Limited to remain fair and transparent with our customers.

Key customers are engaged at many levels across the business, starting with the Directors and cascading down. Customer relationship plans are developed to ensure that engagement with clients is at the appropriate level within each organization. Rushlift Limited has collaborative relationships with many of its key customers, promoting open communication and discussion at all levels, leading to joint development of projects and speedy resolution of any challenges encountered.

The Board discusses the interactions with the customers of the organisation at all levels. Through this the Directors gain an understanding of the customer's problems, requirements and drivers. This allows the Directors to guide the tailoring of Company products and offerings to meet the aspects that customers deem most important to their businesses. Rushlift Limited continue to develop the services of the business in order to meet the needs of its customers.

Suppliers

Rushlift Limited has more than 100 active supply stakeholders that it works with throughout the year. The vast majority of these are within the UK, though some are local subsidiaries of larger international companies. The Board has initiated and approved processes that mean the Company treats these stakeholders fairly and ensures appropriate competition within its supply markets to help drive improving standards, service, specifications, environmental performance and overall cost.

The Board policy is to focus its strategic procurement activities and reduce suppliers in major supply categories. Using these suppliers, activities are limited to a small circle of partners that the organisation works with on a recurrent basis, using framework agreements, including agreed terms and conditions of trade, cost and rebate structures. Close contact is maintained with these suppliers giving them the opportunity to exchange information to help drive further performance (on both sides).

Community and environment

The Directors' goal is to develop and grow alongside society, as a trusted and trustworthy partner and make sure wherever the Company operates, it does so transparently and lawfully. The Directors aim to contribute to the development of talent in society and our community service activities promote both corporate and social development.

The Board of Rushlift Limited is committed to tackling the challenge to lower its carbon footprint. Rushlift Limited has installed electric charging bays to promote our stakeholders with environmentally friendly vehicle options. In addition to this, employees are no longer provided options on company car policies where CO_2 emission is deemed to be high.

Business Conduct

Rushlift Limited's reputation lies not only in the quality of its products, but also in the value of its service. Rushlift Limited offers its customers one of the strongest warranties in the industry, providing the customers not only a peace of mind but also an added value to the product.

Regulators
The Board recognises the importance of open and continuous dialogue with its regulatory stakeholders to ensure legal and regulatory compliance. Accordingly, the Company corresponds with Companies House on a regular basis. The Company has relevant policies and procedures in place, and these are reviewed on a regular basis. Individual directors engage with the key stakeholders of the Company, carry out various assessments to ensure compliance and mitigate potential regulatory issues.

When regulation requires compliance through employees, processes are in place to cascade these requirements through the Company in order to make sure they are adhered to and meet regulatory requirements and deadlines.

Employees
The Directors of Rushlift Limited regards its employees as its most important resource. Its customers work with the Company because of the skills, competence and standards that its people bring to delivering their projects. The Board recognises that its workforce must be fully aligned to their individual and the company success measures. To support this the Directors drive and encourage Inhwa. Inhwa means harmonious teamwork in the truest sense of the word, enshrined in our definition of fairness and camaraderie. Our idea of Inhwa inspires every colleague to behave and communicate with freedom, transparency and dignity, under a common set of fair rules.

As part of the company's strategy the directors regularly review benefits made available in support of employees. During 2019, Doosan invested in upgrading the BHSF app for employees in order to facilitate better understanding and access to the benefits available. The covid pandemic has seen much of our workforce working from home in Q2 & Q3 of 2020. During this time the company has worked hard to enhance communications in the form of emails announcements and more informal communication methods such as calls and online meetings.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS:

....

Mr S Park - Director

Date: 31...... March 2021

Director's Report
for the Year Ended 31 December 2019

The directors present their report with the financial statements of the company for the year ended 31 December 2019.

PRINCIPAL ACTIVITIES
The principal activities of the company in the year under review were those of the sale, hire, repair, servicing and fleet management of powered mechanical equipment.

DIVIDENDS
An interim dividend of £350,000 per share was paid on 12 December 2019. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31 December 2019 will be £700,000.

FUTURE DEVELOPMENTS
The Global Market is experiencing a switch to Electric Fork Trucks to reduce the environmental impact from Diesel and Gas trucks. Doosan's new range of electric Battery trucks has been well received into the market and has facilitated market share increases.

The directors believe the prospects for the company are increasingly positive in the medium term, despite operating in mature and price competitive markets. There are concerns that Brexit and post COVID19 may result in customers hesitating to commit to long term contracts, however this could increase the prospects in short term rental.

DIRECTORS
The directors shown below have held office during the whole of the period from 1 January 2019 to the date of this report.

Mr S Y Hwang
Mr C A Whyment
Mr T J Willett

Other changes in directors holding office are as follows:

Mr C Chung (appointed 14 February 2020) and Mr S Park (appointed 5 February 2021) were appointed as directors after 31 December 2019 but prior to the date of this report.

Mr D J Clarkson (resigned 14 February 2020) and Mr J H Lee (resigned 5 February 2021) ceased to be directors after 31 December 2019 but prior to the date of this report.

GOING CONCERN

As part of preparation of the financial statements, the directors have carried out a review with respect to going concern. The directors have examined the order book going forward and the prospects of the business given the current economic climate. They have reviewed cash flow forecasts associated with that order book and those prospects. The directors have considered a period of twelve months from the date of signing the financial statements.

The directors have at the date of approving these financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements. With circumstances changing rapidly due to COVID-19 and its impact of industries, the directors will continue to evaluate these conditions and company's exposure.

FINANCIAL INSTRUMENTS

a) Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities is described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

b) Financial assets

The Company's accounting policy is as follows:

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

c) Financial liabilities

The Company classifies its financial liabilities into categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Other financial liabilities include trade payables, amounts due to group undertakings and other short-term monetary liabilities. Group undertakings include all companies owned or controlled by Doosan Corporation, the parent undertaking of the company. They are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

The Company does not hold or issue derivative instruments for speculative purposes or for hedging purposes.

d) Impairment

IFRS 9 requires that credit losses on financial assets are measured and recognised using the 'expected credit loss (ECL) approach. Credit losses are the difference between the present value (PV) of all contractual cashflows and the PV of expected future cash flows. The Company has applied the simplified approach and records lifetime expected losses on all trade receivables, amounts due from customers and bank balances.

DISABLED EMPLOYEES
The practice of the company is to seek to encourage and assist the employment of disabled persons, subject to their ability to perform the duties of the job without exposing themselves or other employees to abnormal risk. The training, career development and promotion of disabled persons is similarly encouraged and assisted. Arrangements are made wherever possible for retraining employees who become disabled to enable them to perform work identified as appropriate to their aptitudes and ability.

DIRECTORS' INDEMNITIES
The company has in place Directors and Officers Indemnity Insurance to cover against legal claims.

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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 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.

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.

Directors' confirmations

The directors consider that the annual report and financial statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the company's position and performance, business model and strategy.

In the case of each director in office at the date the Directors' Report is approved:

• so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
• they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

A resolution to not re-appoint PricewaterhouseCoopers LLP as auditors for the ensuing year has been decided on by the directors.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS:

....
Mr S Park - Director

Date: ...31...March 2021

Independent auditors' report to the members of Rushlift Limited

Report on the audit of the financial statements

Opinion

In our opinion, Rushlift Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and financial statements (the "Annual Report"), which comprise: the statement of financial position as at 31 December 2019; the statement of comprehensive income and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Independent auditors' report to the members of Rushlift Limited (continued)

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 9, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

Auditors' 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 auditors' 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.

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

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Paul Cheshire (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Newcastle upon Tyne
31 March 2021

RUSHLIFT LIMITED

Statement of comprehensive income for the Year Ended 31 December 2019

	Note	31.12.19 £'000	31.12.18 £'000
TURNOVER	3	43,667	44,768
Cost of sales		(20,503)	(22,769)
GROSS PROFIT		23,164	21,999
Administrative expenses		(21,427)	(19,006)
OPERATING PROFIT		1,737	2,993
Interest payable and similar expenses	6	(2,462)	(2,111)
(LOSS)/PROFIT BEFORE TAXATION		(725)	882
Tax on (loss)/profit	8	37	125
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		(688)	1,007
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR		(688)	1,007

The notes form part of these financial statements

RUSHLIFT LIMITED (Registered number: 05493140)

Statement of Financial Position
as at 31 December 2019

	Note	31.12.19 £'000	31.12.18 £'000
FIXED ASSETS			
Goodwill	10	1,308	1,518
Tangible assets	11	75,710	68,448
		77,018	69,966
CURRENT ASSETS			
Stocks	12	3,837	1,647
Trade and other receivables	13	7,471	5,964
Cash at bank and in hand		2,488	3,367
		13,796	10,978
CREDITORS			
Amounts falling due within one year	14	(35,558)	(28,919)
NET CURRENT LIABILITIES		(21,762)	(17,941)
TOTAL ASSETS LESS CURRENT LIABILITIES		55,256	52,025
CREDITORS			
Amounts falling due after more than one year	15	(45,029)	(40,543)
DEFERRED TAX	19	(871)	(738)
NET ASSETS		9,356	10,744
CAPITAL AND RESERVES			
Called up share capital	20	-	-
Retained earnings	21	9,356	10,744
TOTAL SHAREHOLDERS' FUNDS		9,356	10,744

The financial statements on pages 13 to 34 were approved by the Board of Directors on ...24... March 2021 and were signed on its behalf by:

....

Mr S Park - Director

The notes form part of these financial statements

RUSHLIFT LIMITED

Statement of Changes in Equity
for the Year Ended 31 December 2019

	Called up share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2018	-	10,216	10,216
Changes in equity			
Profit for the year and total comprehensive income	-	1,007	1,007
Transfer on acquisition	-	(479)	(479)
Balance at 31 December 2018	-	10,744	10,744
Changes in equity			
Dividends	-	(700)	(700)
Loss for the year and total comprehensive expense	-	(688)	(688)
Balance at 31 December 2019	-	9,356	9,356

The notes form part of these financial statements

1. STATUTORY INFORMATION

The company is a private company limited by share capital incorporated in and domiciled in England in the United Kingdom. The address of its registered office is:

Unit 12 Kilvey Road
Brackmills Industrial Estate
Northampton
NN4 7BQ

The principal activity of the company is that of the sale, hire, repair, servicing and fleet management of powered mechanical equipment.

2. ACCOUNTING POLICIES

Basis of preparation
These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 "Reduced Disclosure Framework":

- the requirements of paragraphs 45(b) and 46 to 52 of IFRS 2 Share-based Payment;
- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations;
- the requirements of paragraph 33(c) of IFRS 5 Non Current Assets Held for Sale and Discontinued Operations;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement;
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases;
- the requirements of paragraph 58 of IFRS 16;
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers;
- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
  - paragraph 118(e) of IAS 38 Intangible Assets;
  - paragraphs 76 and 79(d) of IAS 40 Investment Property; and
  - paragraph 50 of IAS 41 Agriculture;
- the requirements of paragraphs 10(d), 10)(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D and 111 of IAS 1 Presentation of Financial Statements;
- the requirements of paragraphs 134 to 136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures;

2. **ACCOUNTING POLICIES – continued**

Basis of preparation – continued

- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group;
- the requirements of paragraphs 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairments of Assets.

During the year IFRS 16(Leases) was adopted. Before the adoption of IFRS 16 operating leases were recognised as a straight line expense over the lease period in accordance with IAS 17. More information on the impact of adopting IFRS 16 can be viewed on note 23 and 24.

Preparation of consolidated financial statements
In accordance with the provisions of Section 401 of The Companies Act 2006, and paragraph 4 of IFRS 10 (Consolidated Financial Statements) the company is exempt from the obligation to prepare and delivery group financial statements as the company is included in the audited consolidated financial statements of its ultimate parent undertaking. Accordingly these financial statements present information about the company as an individual undertaking and not as a group.

Going concern
As part of preparation of the financial statements, the directors have carried out a review with respect to going concern. The directors have examined the order book going forward and the prospects of the business given the current economic climate. They have reviewed cash flow forecasts associated with that order book and those prospects. The directors have considered a period of twelve months from the date of signing the financial statements.

The directors have at the date of approving these financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements. With circumstances changing rapidly due to COVID-19 and its impact of industries, the directors will continue to evaluate these conditions and company's exposure.

Judgements and key sources of estimation uncertainty
The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. However, the nature of estimation means that actual outcomes could differ from those estimates. The following are the key source of estimation uncertainty and judgement that the directors have made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Impairment of goodwill (estimate)
Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units (CGU) to which goodwill has been allocated. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. Goodwill is not amortised but is reviewed for impairment annually. The carrying amount of goodwill at 31 December 2019 was £1,308,000 (2018: £1,518,000).

2. **ACCOUNTING POLICIES – continued**

IAS 27 - Separate Financial Statements
The company prepares separate financial statements as consolidation is prepared by the ultimate parent company in Korea for the shareholders and the Korean stock market.

Operating expenses
Operating expenses are recognised in profit or loss upon utilisation of the service or as incurred. Expenditure for warranties is recognised when the group incurs an obligation, which is typically when the goods are sold or services provided.

Trade and other receivables
Trade and other receivables are recognised initially at fair value and subsequently at their amortised cost less impairment losses based on the directors' view of the collectability of those receivables. The amount of provision is the difference between the assets carrying amount and the present value of estimated future cash flows.

Cash and cash equivalents
Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less.

Trade and other payables
Trade and other payables are recognised initially at fair value and subsequently stated at amortised cost.

Provisions
A provision is recognised in the statement of financial position if, as a result of a past event, there is a present legal or constructive obligation that can be measured reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Revenue
Revenue represents the invoiced value of goods and services supplied, excluding the value added tax and trade discounts. Revenue in respect of goods sold is recognised when substantially all of the risks and rewards of ownership have been transferred to the customer, generally being at the point at which goods are dispatched.

There are no significant judgements required in either determining the company's performance obligations, because the majority of the company's revenue is recognised when goods are provided to the customer, or in the timing of revenue recognition. As revenue is typically recognised at amounts agreed in advance with customers, no significant estimates are required in determining transaction prices. Revenue is calculated at cost plus margin.

Revenue from operating lease contract is recognised in the amount of the lease instalments over the term of the contracts using the straight-line method.

All revenue arose in the United Kingdom.

Goodwill
Goodwill was generated as part of acquisition of businesses and presented with intangible assets. It is carried at cost less accumulated impairment losses. The Goodwill is carried with an indefinite useful life. The non amortization of goodwill is a true and fair override of paragraph 22 of schedule 1 to SI 2008/410 of the Companies Act, however is in accordance with International Financial Reporting Standards which forms the basis of FRS 101.

2. **ACCOUNTING POLICIES - continued**

Property, plant and equipment
Property, plant and equipment are stated at cost, which includes the purchase cost plus costs directly associated with bringing the asset into use including interest, where required, less accumulated depreciation and impairment losses.

Buildings	Straight line over the term of the lease
Hire Fleet	Straight line over the useful life of the asset
Plant, equipment, furniture and fittings	Straight line over the useful life of the asset
Motor vehicles	25% on cost and 10% on cost
Computer equipment	33% on cost

Financial instruments

a) Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities is described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

b) Financial assets

The Company classifies its financial assets as those measured at amortised cost. The Company's accounting policy is as follows:

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

2. **ACCOUNTING POLICIES - continued**

Financial instruments - continued

c) Financial liabilities

The Company classifies its financial liabilities into categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Other financial liabilities include trade payables, amounts due to group undertakings and other short-term monetary liabilities. Group undertakings include all companies owned or controlled by Doosan Corporation, the parent undertaking of the company. They are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

The Company does not hold or issue derivative instruments for speculative purposes or for hedging purposes. The company does not hold any financial liabilities classified as held for trading.

d) Impairment

IFRS 9 requires that credit losses on financial assets are measured and recognised using the 'expected credit loss (ECL) approach. Credit losses are the difference between the present value (PV) of all contractual cashflows and the PV of expected future cash flows. The Company has applied the simplified approach and records lifetime expected losses on all trade receivables, amounts due from customers and bank balances.

Inventories

Inventories are stated at the lower of cost and net realisable value (being the estimated selling price in the ordinary course of business less estimated costs of completion and selling expenses) on a first in, first out basis. Cost comprises raw material, direct labour and appropriate production overheads based on the normal levels of business activity.

Taxation

Income Tax

The income tax expense for the year is the tax payable on the current year's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the entities in the company operates and generates taxable income.

2. ACCOUNTING POLICIES - continued

Deferred Tax
Deferred tax assets and liabilities are recognised for all temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases, at the tax rates expected to apply when the assets are recovered or liabilities settled, based on those rates which are enacted or substantially enacted. Deferred tax is not recognised if it arises from the initial recognition of goodwill. Deferred tax assets are only recognised for deductible temporary differences and unused tax losses if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and deferred tax on items that are accounted for in other comprehensive income or equity are recognised in other comprehensive income and equity respectively. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and the deferred taxes relate to the same taxable entity and the same taxing authority.

Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). The financial statements are presented in 'Pounds Sterling' (£), which is also the company's functional currency

(b) Transactions and balances

In the financial statements, all assets and liabilities expressed in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date or at the agreed contractual rate. Income and expenses have been translated the rate ruling at the date of the transaction. Exchange differences are charged or credited to profit or loss .

Non-monetary items are not retranslated at year-end and are measured at historical cost, translated using the exchange rates at the transaction date.

Employee benefit costs
The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the income statement in the period to which they relate.

3. TURNOVER

Revenue represents the invoiced value of goods and services supplied, excluding the value added tax and trade discounts. Revenue in respect of goods sold is recognised when substantially all of the risks and rewards of ownership have been transferred to the customer, generally being at the point at which goods are dispatched.

Revenue from operating lease contract is recognised in the amount of the lease instalments over the term of the contracts using the straight-line method.
All revenue arose in the United Kingdom.

	31.12.19	31.12.18
	£'000	£'000
Sale of Goods	6,297	6,153
Sale of Services	5,144	11,476
Hire Revenue	23,159	23,068
Maintenance revenue	9,067	4,071
Total	**43,667**	**44,768**

4. EMPLOYEES AND DIRECTORS

	31.12.19	31.12.18
	£'000	£'000
Wages and salaries	8,832	9,248
Social security costs	977	885
Other pension costs	221	93
	10,030	10,226

The average number of employees during the year was as follows:

	31.12.19	31.12.18
Sales, servicing, stores and repairs	235	244
Administration	24	23
	259	267

5. DIRECTORS' EMOLUMENTS

	31.12.19	31.12.18
	£	£
Directors' remuneration	244,141	156,200
Directors' pension contributions to money purchase schemes	10,436	5,976

5. **DIRECTORS' EMOLUMENTS - continued**

The number of directors to whom retirement benefits were accruing was as follows:

Directors	2	3

Information regarding the highest paid director for the year ended 31 December 2019 is as follows:

	31.12.19
	£
Remuneration	125,501
Pension contributions to money purchase schemes	5,033

There are three (2018: three) of the five Directors who served during the year who are remunerated by the parent company, Doosan Industrial Vehicles UK Limited, for services.

6. **INTEREST PAYABLE AND SIMILAR EXPENSES**

All finance costs are recognised in profit or loss in the period in which they are incurred.

	31.12.19	31.12.18
	£'000	£'000
Interest payable	2,462	2,111
Total	**2,462**	**2,111**

7. **(LOSS)/PROFIT BEFORE TAXATION**

The loss before tax on (loss)/profit (2018 - profit before tax on (loss)/profit) is stated after charging/(crediting):

	31.12.19	31.12.18
	£'000	£'000
Cost of inventories recognised as expense	20,503	22,769
Depreciation - owned assets	13,318	11,546
Profit on disposal of fixed assets	(1)	(6)
Auditors' remuneration	75	45
Hire of plant and machinery	1,285	1,114

8. TAX ON (LOSS)/PROFIT

Analysis of tax income

	31.12.19 £'000	31.12.18 £'000
Current tax:		
UK corporation tax 19%	(170)	228
Deferred tax:		
Origination and reversal of timing differences	133	(353)
Total tax income in statement of comprehensive income	(37)	(125)

Factors affecting the tax expense

The tax assessed for the year is higher (2018 - lower) than the standard rate of corporation tax in the UK. The difference is explained below:

	31.12.19 £'000	31.12.18 £'000
(Loss)/profit before income tax	(725)	882
(Loss)/profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	(138)	168
Effects of:		
Adjustment for non-deductible expenses	175	(341)
Depreciation & Amortisation in excess of capital allowances	(479)	105
Adjustment in respect of prior years	(26)	-
Impact of rate changes	-	(57)
Future losses available	431	-
Total tax income in statement of comprehensive income	(37)	(125)

9. DIVIDENDS

	31.12.19 £'000	31.12.18 £'000
Paid during the year - £350k per share (2018 - £nil per share)	700	-

10. GOODWILL

	Goodwill £'000
COST	
At 1 January 2019 and 31 December 2019	1,518
IMPAIRMENT	
Charge for the year	(210)
At 31 December 2019	(210)
NET BOOK VALUE	
At 31 December 2019	1,308

	Goodwill £'000
COST	
At 1 January 2018 and 31 December 2018	1,518
NET BOOK VALUE	
At 31 December 2018	1,518

11. TANGIBLE ASSETS

	Buildings £'000	Hire Fleet £'000	Fixtures and fittings £'000
COST			
At 1 January 2019	-	113,946	1,376
Additions	2,407	19,885	219
Disposals	-	(11,415)	(112)
At 31 December 2019	2,407	122,416	1,483
ACCUMULATED DEPRECIATION			
At 1 January 2019	-	46,294	957
Charge for year	686	11,999	153
Eliminated on disposal	-	(8,852)	(65)
At 31 December 2019	686	49,441	1,045
NET BOOK VALUE			
At 31 December 2019	1,721	72,975	438

11. **TANGIBLE ASSETS - continued**

	Motor vehicles £'000	Computer equipment £'000	Totals £'000
COST			
At 1 January 2019	471	905	116,698
Additions	542	143	23,196
Disposals	(1)	(7)	(11,535)
At 31 December 2019	1,012	1,041	128,359
ACCUMULATED DEPRECIATION			
At 1 January 2019	245	754	48,250
Charge for year	392	88	13,318
Eliminated on disposal	(1)	(1)	(8,919)
At 31 December 2019	636	841	52,649
NET BOOK VALUE			
At 31 December 2019	376	200	75,710

	Hire Fleet £'000	Fixtures and fittings £'000	Motor vehicles £'000	Computer equipment £'000	Totals £'000
COST					
At 1 January 2018	96,732	1,275	481	808	99,296
Additions	24,586	181	57	98	24,922
Disposals	(7,373)	(80)	(67)	(1)	(7,520)
At 31 December 2018	113,945	1,376	471	905	116,698
ACCUMULATED DEPRECIATION					
At 1 January 2018	39,583	855	238	676	41,352
Charge for year	11,246	153	68	79	11,546
Eliminated on disposal	(4,535)	(51)	(61)	(1)	(4,648)
At 31 December 2018	46,294	957	245	754	48,250
NET BOOK VALUE					
At 31 December 2018	67,651	419	226	152	68,448

12. **STOCKS**

	31.12.19 £'000	31.12.18 £'000
Finished goods for resale	3,629	1,483
Work-in-progress	208	164
	3,837	1,647

13. TRADE AND OTHER RECEIVABLES

	31.12.19	31.12.18
	£'000	£'000
Trade receivables	3,640	2,932
Amounts owed by group undertakings	2,315	2,307
Other receivables	216	66
Taxation	278	-
Prepayments and accrued income	1,022	659
	7,471	5,964

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

Trade receivables are shown net of expected credit losses of of £61,000 (2018: £93,000).

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.19	31.12.18
	£'000	£'000
Leases (see note 16)	12,525	10,138
Trade payables	1,857	2,470
Amount owed to group undertakings	11,628	7,323
Taxation and social security	239	430
Other creditors	3,585	48
Accruals and deferred income	5,724	8,510
	35,558	28,919

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.12.19	31.12.18
	£'000	£'000
Leases (see note 16)	45,029	40,543

16. FINANCIAL LIABILITIES - BORROWINGS

	31.12.19	31.12.18
	£'000	£'000
Current:		
Leases (see note 17)	12,525	10,138
Non-current:		
Leases (see note 17)	45,029	40,543

16. **FINANCIAL LIABILITIES - BORROWINGS - continued**

Terms and debt repayment schedule

	1 year or less £'000	2-5 years £'000	More than 5 years £'000	Totals £'000
Leases	12,525	40,971	4,058	57,554

17. **LEASING**

Lease liabilities

Obligations under hire purchase contracts

	Minimum lease payments	Interest	Present value
2019			
Within one year	8,541	(1,201)	7,340
In two to five years	28,655	(1,419)	27,236
In six years plus	2,056	(30)	2,026
	39,252	**(2,650)**	**36,602**
2018			
Within one year	7,677	(1,329)	6,348
In two to five years	28,559	(1,784)	26,775
In six years plus	1,193	(22)	1,171
	37,429	**(3,135)**	**34,294**

Obligations under finance leases

	Minimum lease payments	Interest	Present value
2019			
Within one year	5,961	(776)	5,185
In two to five years	15,245	(1,510)	13,735
In six years plus	2,238	(206)	2,032
	23,444	**(2,492)**	**20,952**
2018			
Within one year	4,363	(573)	3,790
In two to five years	12,071	(949)	11,122
In six years plus	1,516	(41)	1,475
	17,950	**(1,563)**	**16,387**

It is the company's policy to lease a number of assets under finance leases. The average lease term is 7 years. For the year ended 31 December 2019, the average effective borrowing rate was 3.59 per cent (2018: 3.36 per cent). Interest rates are fixed at the contract date. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

All lease obligations are denominated in sterling.

The company's obligations under finance leases are secured by the lessors' rights over the leased assets.

18. FINANCIAL INSTRUMENTS

Risk management objectives and policies
The Company's activities expose it to certain financial risks. The Company's overall risk management approach is to identify the risk exposures and implement safeguards which seek to manage these exposures and minimise potential adverse effects on the financial performance of the Company. The Directors are responsible for monitoring and managing the financial risks of the Company. The Directors monitor these risks through monthly board meetings and ad hoc discussions with senior management, should the need arise.

Credit risk
Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company has exposure to credit risk through its receivables balance. The maximum exposure to credit risk is its receivable balance

The Company manages its credit risk through the implementation of tight credit terms, and through its internal credit control function. Customers who are issued credit will be subject to stringent credit checks in advance, and customer credit will be postponed where overdue debtors meet a certain point.

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The company operates a range of policies to ensure that there is sufficient liquidity and cash to meet its liabilities as they fall due. Regular cash flow forecasts are prepared by management over a 5 year period, and updated regularly to monitor the cash position of the company.

Interest rate risk management
Interest rate risk arises from the potential change in interest rate that may have an adverse effect on the company in the current reporting year and in future years.

Interest rate sensitivity analysis
The sensitivity analyses below have been determined based on exposure to interest rate. For floating rate liabilities, analysis is prepared assuming the amount of liability outstanding at the end of reporting year was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest risk internally to key management personnel and represents management's assessment of reasonably possible change in interest rates.

Market risk
The Company's activities expose it primarily to the financial risks of changes in interest rates. There has been no change to the Company's exposure to market risks or the manner in which these risks are managed and measured.

Foreign currency risk management
The company's activities has limited exposure to foreign currency risks as vast majority of purchases are within the UK.

19. DEFERRED TAX

	31.12.19	31.12.18
	£'000	£'000
Deferred tax	871	738

Reconciliation of deferred tax is as follows:

	2019
	£'000
Balance at 1 January 2019	738
Charge to Statement of comprehensive income during year	133
	871

The provision of deferred tax is made up as follows:

Capital allowances	883	724
Short term timing differences	(12)	14
Balance at 31 December 2019	871	738

20. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal Value (£):	31.12.19 £	31.12.18 £
2	Ordinary Shares	1	2	2

21. RETAINED EARNINGS

	Retained earnings £'000
At 1 January 2019	10,744
Deficit for the year	(688)
Dividends	(700)
At 31 December 2019	9,356

	Retained earnings £'000
At 1 January 2018	10,216
Profit for the year	1,007
Transfer on acquisition	(479)
At 31 December 2018	10,744

22. ULTIMATE PARENT UNDERTAKING

Doosan Corporation (incorporated in South Korea) is regarded by the directors as being the company's ultimate parent company.

The company's immediate parent undertaking is Doosan Material Handling (UK) Limited. The ultimate parent undertaking and controlling party is Doosan Corporation, a company incorporated in the Republic of Korea. This is the largest and smallest group of which the company is a member that prepares group financial statements including the results of the company. Copies of the financial statements of Doosan Corporation may be obtained from the company at 275, Jangchungdan-ro, jung-gu- Seoul, Korea. Doosan Corporation is consolidated IFRS Financial Statements and a listed company on the Korean Stock Market.

23. LEASES - RIGHT OF USE ASSETS

The company has lease contracts for various buildings and vehicles used in the operations. The amounts recognised in the financial statements in relation to the leases are as follows:

(i) Amounts recognised in the statement of financial position

The balance sheet shows the following amounts relating to leases:

	31.12.19 £'000	01.01.19 £'000
Right-of-use Assets		
Hire fleet	72,975	67,651
Application on transition of IFRS16		
Office and Warehouses	1,721	2,407
Vehicle	185	525
Total Right-of-use assets on transition	**1,906**	**2,932**
Total Right-of-use assets	**74,881**	**70,583**
Lease Liabilities		
Current	12,525	11,164
Non- Current	45,029	42,449
Totals	**57,554**	**53,613**

The Company had no impact on reserves due to the adoption of IFRS 16 on the transition date of 1 January 2019. The company recorded Right-of-use assets of £2,932,000 and finance lease liabilities of £2,932,000 on transition date following the modified approach on transition.

23. LEASES - RIGHT OF USE ASSETS - continued

(ii) Amounts recognised in the income statement

The income statement shows the following amounts relating to leases:

	31.12.19
	£'000
Depreciation charge on Right-of-use assets	
Buildings	686
Hire fleet	11,999
Motor vehicles	341
Total	**13,026**
Interest and other expenses	
Interest expense	2,462
Expense relating to short-term leases	534
	2,996

There were cash outflows of £14,679K in respect of Right of-use assets during the year. No contingent rent payable and there are no renewal options, purchase options, escalation clauses or other restrictions imposed.

At 31 December 2019 the Company had total commitments under non-cancellable operating leases as set out below:

£'000	2019	2019	2018	2018
Expiring within	Buildings	Other	Buildings	Other
One year	-	-	556	816
Two to five years	-	-	585	251
After 5 years	-	-	170	-

There is no contingent rent payable and there and there are no renewal options, purchase options, escalation clauses or other restrictions imposed. The above commitments relate to property, vans and cars. Operating leases are now accounted for under IFRS 16.

24. CHANGES IN ACCOUNTING POLICIES

For lease contracts within the scope of IFRS 16, a lease liability and corresponding right-of-use asset are recognised at the lease commencement date. The lease liability is initially measured at the present value of future lease payments, discounted using the incremental borrowing rate of the company (or rate implicit in the lease, if available). Future lease payments include fixed and variable payments, amounts repayable under a residual value guarantee, and the exercise price of future purchase options the company is reasonably certain to exercise (where applicable). Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The liability is subsequently measured at amortised cost using the effective interest method, with the financing cost recognised within 'Interest payable and similar charges'.

Corresponding right-of-use assets are measured at the initial amount of the lease liability, adjusted for any lease payments prepaid at the commencement date, initial direct costs, lease incentives, and an estimate of costs to dismantle or remove the underlying asset. Subsequently, the right-of-use asset is depreciated on a straight-line basis over the lease term. Where an impairment indicator is identified the right-of-use asset is adjusted by any associated impairment losses. The right-of-use asset is also adjusted for any remeasurements of the lease liability.

The company has elected to apply the exemption included within IFRS 16 for short-term leases (lease terms of less than 12 months from the commencement date), and low value leases (asset values less than £5,000). The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

Prior to the adoption of IFRS 16 on 1 January 2019, the company classified its lease contracts as operating or finance leases in line with IAS 17, with contracts categorised as finance leases where it was determined that the risks and rewards of ownership of the asset had transferred to the company.

The company has adopted IFRS 16 Leases retrospectively from 1 January 2019 (using the modified approach) but has not restated comparatives for the 2018 reporting year, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 January 2019. Thus, the comparative future minimum lease payments presented are based on IAS 17 while the current year are based on IFRS 16.

On adoption of IFRS 16, the company recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 3%.

	2019 £'000
Operating lease commitments disclosed as at 31 December 2018	2,378
Additional long term leases	1,272
Discounted using the lessee's incremental borrowing rate at the date of initial application	(184)
Short term leases	(534)
Lease liability recognised as at 1 January 2019	2,932

24. CHANGES IN ACCOUNTING POLICIES - continued

In applying IFRS 16 for the first time, the company has used the following practical expedients permitted by the standard:

• Applying a single discount rate to a portfolio of leases with reasonably similar characteristics;
• the accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases;
• the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
• the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Company has also elected not to apply IFRS 16 to contracts that were not identified under IAS 17 and IFRIC 4, "Determining whether an Arrangement contains a lease'.

The following tables summarise the impacts of adopting new reporting standards on the Company's
financial statements.

Statement of Financial Position (extract)

Items (£'000)	Balance at 31.12.18	Adoption IFRS 16	Balance at 01.01.19
Property, plant and equipment	68,448	2,932	71,380
Lease Liability (Non-Current)	-	(1,906)	(1,906)
Trade and other payables	(28,919)	(1,026)	(29,945)
Total	**39,529**	**-**	**39,529**

25. Post balance sheet events note

On 11 March 2020, the World Health Organisation declared the Coronavirus (COVID-19) outbreak to be a pandemic in recognition of its rapid spread across the globe. Many governments are taking increasingly stringent steps to help contain or delay the spread of the virus. Currently, there is a significant increase in economic uncertainty which is, for example, evidenced by more volatile asset prices and currency exchange rates.

For the company's 31 December 2019 financial statements, the Coronavirus outbreak and the related impacts are considered non-adjusting events. Consequently, there is no impact on the recognition and measurement of assets and liabilities. Due to the uncertainty of the outcome of the current events, the company cannot reasonably estimate the impact these events will have on the company's financial position, results of operations or cash flows in the future. The pandemic had a significant impact on the company and its parent group. However, the company and group have sufficient liquidity and capital resources, which has allowed it to meet working capital requirements throughout lockdown periods. The directors will continue to monitor the impact of the Coronavirus on the activities of the company.