

ACCORD TOPCO LIMITED
ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2016
REGISTERED NUMBER 09471469

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ACCORD TOPCO LIMITED

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for the Year Ended 31 May 2016

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ACCORD TOPCO LIMITED

COMPANY INFORMATION
for the Year Ended 31 May 2016

DIRECTORS:	J V Steenkiste S Eiseler D MacFarlan C J Chambers R Richardson
REGISTERED OFFICE:	27 Knightsbridge London SW1X 7LY
REGISTERED NUMBER:	09471469
INDEPENDENT AUDITORS:	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 101 Barbirolli Square Lower Mosley Street Manchester M2 3PW
BANKERS:	Bank of Scotland plc 3rd Floor New Uberior House 11 Earl Grey Street Edinburgh EH3 9BN
SOLICITORS:	Walker Morris LLP 12 King Street Leeds LS1 2HL

ACCORD TOPCO LIMITED

STRATEGIC REPORT for the Year Ended 31 May 2016

The directors present their Strategic Report on the company and the group for the year ended 31 May 2016.

This is the first year that the group and company has presented its results under Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS102"). The impact on equity at the date of transition to FRS102, 4 March 2015, and at 31 May 2015, together with the changes to the reported profit/loss for the period ended 31 May 2015 are shown in note 26.

Principal activities

The principal activity of the company during the year was that of a holding company for the Ainscough Crane Hire group. The company is incorporated in England & Wales with a company registration number of 09471469. The principal activity of the group was that of mobile crane hire and contract lifting.

Review of the business

The group's operating profit before exceptional items and amortisation for the year was £14.6m (3 months to 31 May 2015: £4.7m) on turnover of £118.5m (3 months to 31 May 2015: £21.9m). The group's loss for the financial year was £23.2m (3 months to 31 May 2015: £3.9m). Total net liabilities are £26.4m (2015: £3.3m).

The exceptional items principally relate to advisor and other costs in relation to the change in ownership and refinancing arrangements.

On 4 December 2015 the group acquired Specialist Crane Hire Limited, Marsden Crane Hire Limited and Jardine Crane Hire Limited for consideration of £2.7m (note 24). On 26 March 2016 the trade and assets of Specialist Crane Hire Limited were transferred to Ainscough Crane Hire Limited at book value for a consideration of £3.4m.

Principal risks and uncertainties

The principal risks and uncertainties faced by the group are the general economic background. The group addresses this risk through continued investment in the crane fleet to ensure that it remains a modern fleet which is capable of satisfying market demands.

Financial risk management

The group's operations expose it to a variety of financial risks that include foreign exchange risk, interest rate risk, credit risk and cash flow risk.

Foreign exchange rate risk arises from transactions when goods and services are bought or sold in currencies other than Sterling. Limited transactions of this nature arise in the group and if necessary the risk would be managed by way of a forward or spot contract based on management's assessment of the relevant currencies.

The company's funding is provided via a combination of bank lending and loan notes. Interest rate risk is limited as the rate is fixed for the term of the facility however, it does include exposure to changes in the LIBOR as this is variable.

The effects of credit risk are controlled as the group has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to any individual counterparty is subject to a limit, which is reassessed by the Board. The Board receives regular reports on amounts due and amounts significantly overdue and the relevant action taken.

The group monitors cash flow as part of its day to day procedures. The Board considers cash flow projections constantly and ensures that the appropriate facilities are available to be drawn upon as necessary.

ACCORD TOPCO LIMITED

STRATEGIC REPORT
for the Year Ended 31 May 2016 (continued)

Non-financial risks

The key non-financial risks facing the business are the possible overseas competition and the risk to personnel and reputation in the event of a serious accident involving a crane. The Board continually monitors these risks and has robust controls and processes in place to minimise the risk to the company.

Key performance indicators ("KPIs")

The group's strategy is one of growth with improved profitability. The directors monitor progress against this strategy by reference to a number of KPIs.

Performance for the year/period is set out in the table below:

	2016	2015	Definition, method of calculation and analysis
Growth in sales (%)	24.7%	n/a	Year on year sales growth (based on pro-rated figures for financial period ended 31 May 2015) expressed as a percentage.
Return on sales (%)	5.5%	8.3%	Return on sales is the ratio of profit on ordinary activities before interest and taxation to sales expressed as a percentage.
Debtor Days	63	n/a	Debtor days are a measure of the time on average it takes for our customers to pay their invoices.

On behalf of the board



C J Chambers

Director

22 August 2016

ACCORD TOPCO LIMITED

DIRECTORS' REPORT for the Year Ended 31 May 2016

The directors present their report with the audited financial statements of the company and the group for the year ended 31 May 2016.

Results and dividends

The results for the year and financial position of the company are shown in the annexed financial statements. The group's loss for the financial year was £23.2m (3 months 2015: £3.9m).

The directors do not propose the payment of a dividend.

Financial risk management

The financial risk management of the group and company are described in the Strategic Report on page 2.

Future developments

The directors believe the market is now starting to show signs of recovery through the number of increased opportunities and all sectors are anticipated to show growth in the coming financial year. As a result of careful strategic management and diversification across a number of sectors, the group is well placed to respond to these opportunities as and when they present themselves.

Health and safety

The group is proactive in adopting health and safety best practices that go beyond legislative requirements and undertakes regular training programmes, internal and external audits of all operations and systems, crane testing and maintenance.

Environment

The group recognises that it has a responsibility to the environment and takes positive steps to address all environmental impacts of its business operations. The group seeks to minimise adverse impacts through good management, aiming for continuous improvement in its environmental performance and delivering on its duty of care towards future generations.

Employees

Disabled employment

The group is committed to employment policies, which follow best practice, based on equal opportunities for all employees, irrespective of sex, race, colour, disability or marital status. The group gives full and fair consideration to applications for employment for disabled persons, having regard to their particular aptitudes and abilities. Appropriate arrangements are made for the continued employment and training, career development and promotion of disabled persons employed by the group. If members of staff become disabled the group continues employment, either in the same or an alternative position, with appropriate retraining being given if necessary.

Employment involvement

The group systematically provides employees with information on matters of concern to them, consulting them or their representatives regularly, so that their views can be taken into account when making decisions that are likely to affect their interests. The group encourages the involvement of employees by means of regular communication and meetings.

Social and community issues

The group allocates a certain amount of funding for each depot to support local issues recommended by depot staff.

ACCORD TOPCO LIMITED

DIRECTORS' REPORT for the Year Ended 31 May 2016 (continued)

Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

C J Chambers
R Richardson
J V Steenkiste
S Eiseler
D MacFarlan

The directors benefited from qualifying third party indemnification provisions in place during the year and to the date of this report.

Going concern

The directors have considered the current economic environment and prepared trading and cash flow projections. On the basis of this information the directors are satisfied that it is appropriate to prepare financial statements of the company and the group on a going concern basis.

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, Directors' Report and the group and parent company financial statements (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 Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

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 group and the company and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" has been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements; 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 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 the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ACCORD TOPCO LIMITED

DIRECTORS' REPORT
for the Year Ended 31 May 2016 (continued)

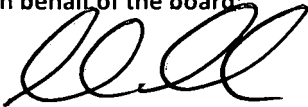
Statement of disclosure of information to auditors

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 group'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 group's auditors are aware of that information.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

On behalf of the board:



C J Chambers

Director

22 August 2016

ACCORD TOPCO LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ACCORD TOPCO LIMITED for the Year Ended 31 May 2016

Report on the financial statements

Our opinion

In our opinion, Accord Topco Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 May 2016 and of the group's loss and cash flows 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.

What we have audited

The financial statements, included within the Annual Report and Consolidated Financial Statements (the "Annual Report"), comprise:

- the Consolidated and Company Statements of Financial Position as at 31 May 2016;
- the Consolidated Statement of Income and Retained Earnings for the year then ended;
- the Consolidated Statement of Cash Flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, 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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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
- the company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

ACCORD TOPCO LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ACCORD TOPCO LIMITED for the Year Ended 31 May 2016 (continued)

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.

What an audit of financial statements involves

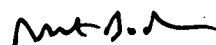
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the group's and the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Nicholas Boden (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester
22 August 2016

ACCORD TOPCO LIMITED

CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS
for the Year Ended 31 May 2016

	Note	2016 £'000	3 months 2015 £'000
GROUP TURNOVER		118,469	21,931
Cost of sales		<u>(80,999)</u>	<u>(13,420)</u>
GROUP GROSS PROFIT		37,470	8,511
Administrative expenses		(22,830)	(3,843)
Amortisation of goodwill	10	(7,691)	(1,292)
Exceptional administrative expenses	7	(1,140)	(1,554)
		<u>(31,661)</u>	<u>(6,689)</u>
GROUP OPERATING PROFIT	5	<u>5,809</u>	<u>1,822</u>
Profit on disposal of fixed assets		659	-
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST AND TAXATION		<u>6,468</u>	<u>1,822</u>
Interest receivable and similar income	8	4	1
Interest payable and similar charges	8	(31,381)	(5,757)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(24,909)</u>	<u>(3,934)</u>
Tax credit/(charge) on loss on ordinary activities	9	1,751	(14)
LOSS FOR THE FINANCIAL YEAR/PERIOD		<u>(23,158)</u>	<u>(3,948)</u>
Retained losses at the beginning of the financial year		(3,948)	-
Retained losses for the financial year/period		<u>(23,158)</u>	<u>(3,948)</u>
RETAINED LOSSES AT THE END OF THE FINANCIAL YEAR/PERIOD		<u>(27,106)</u>	<u>(3,948)</u>

All activities relate to continuing operations.

The company has no other comprehensive income other than the loss for the current year and the previous year.

There are no material differences between the loss on ordinary activities before taxation and the loss for the financial year/period and their historical cost equivalents.

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

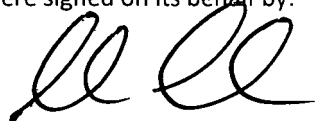
ACCORD TOPCO LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 May 2016

Registered Number: 09471469

	Note	2016		2015	
		£'000	£'000	£'000	£'000
FIXED ASSETS					
Intangible assets	10		144,753		152,529
Tangible assets	11		130,369		124,065
			<u>275,122</u>		<u>276,594</u>
CURRENT ASSETS					
Stocks	13	889		902	
Debtors	14	27,962		27,025	
Cash at bank and in hand		<u>5,898</u>		<u>6,358</u>	
		34,749		34,285	
CREDITORS: amounts falling due within one year	15	<u>(34,553)</u>		<u>(24,517)</u>	
NET CURRENT ASSETS			<u>196</u>		<u>9,768</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			275,318		286,362
CREDITORS: amounts falling due after more than one year	16		(293,426)		(279,843)
PROVISIONS FOR LIABILITIES	17		(8,341)		(9,810)
NET LIABILITIES			<u>(26,449)</u>		<u>(3,291)</u>
CAPITAL AND RESERVES					
Called up share capital	18		11		11
Share premium account	19		646		646
Retained losses			<u>(27,106)</u>		<u>(3,948)</u>
TOTAL DEFICIT			<u>(26,449)</u>		<u>(3,291)</u>

The financial statements on pages 9 to 26 were approved by the Board of Directors on 22 August 2016 and were signed on its behalf by:



C J Chambers

Director

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

ACCORD TOPCO LIMITED

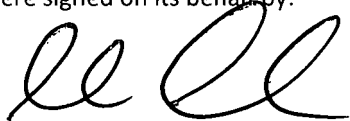
COMPANY STATEMENT OF FINANCIAL POSITION

As at 31 May 2016

Registered Number: 09471469

	Note	2016		2015	
		£'000	£'000	£'000	£'000
FIXED ASSETS					
Investments	12		657		657
CURRENT ASSETS					
Debtors	14	1		-	
Cash at bank and in hand		<u>-</u>		<u>-</u>	
		1		-	
CREDITORS: amounts falling due within one year	15	<u>(1)</u>		<u>-</u>	
			-		-
NET CURRENT ASSETS			<u> </u>		<u> </u>
TOTAL ASSETS LESS CURRENT LIABILITIES			-		657
CREDITORS: amounts falling due after more than one year	16		-		-
			<u> </u>		<u> </u>
NET ASSETS			<u>657</u>		<u>657</u>
CAPITAL AND RESERVES					
Called up share capital	18		11		11
Share premium account	19		646		646
Retained earnings			-		-
			<u> </u>		<u> </u>
TOTAL EQUITY			<u>657</u>		<u>657</u>

The financial statements on pages 9 to 26 were approved by the Board of Directors on **22** August 2016 and were signed on its behalf by:



C J Chambers

Director

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

ACCORD TOPCO LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
for the Year Ended 31 May 2016

	Note	2016 £'000	3 months 2015 £'000
NET CASH FROM OPERATING ACTIVITIES	22(a)	27,977	7,957
Taxation paid		(627)	-
NET CASH GENERATED FROM OPERATING ACTIVITIES		<u>27,350</u>	<u>7,957</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of subsidiary (net of cash acquired)	24	(1,852)	(216,854)
Purchase of tangible assets		(23,795)	(4,668)
Proceeds from disposal of tangible assets		3,576	-
Interest received		4	1
NET CASH USED IN INVESTING ACTIVITIES		<u>(22,067)</u>	<u>(221,521)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
New loans taken out (net of costs to issue)		-	172,518
Repayment of loans		(1,046)	-
Issue of loan notes (net of costs to issue)		-	104,660
Repayment of loan facility		-	(57,686)
Repayment of finance leases		(1,755)	-
Receipts from revolver loan facility		38,100	-
Repayment of revolver loan facility		(25,100)	-
Interest paid		(15,942)	(227)
Proceeds from issue of ordinary share capital		-	657
NET CASH (USED)/ GENERATED FROM FINANCING ACTIVITIES		<u>(5,743)</u>	<u>219,922</u>
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS		<u>(460)</u>	<u>6,358</u>
Cash and cash equivalents at the beginning of the year		6,358	-
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		<u><u>5,898</u></u>	<u><u>6,358</u></u>

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

ACCORD TOPCO LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the Year Ended 31 May 2016

1. GENERAL INFORMATION

Accord Topco Limited ("the company") and its subsidiaries (together "The Group") provide mobile crane hire and contract lifting through a national depot network. The company is a private company limited by shares and is incorporated and domiciled in England. The address of its registered office is Knightsbridge, London.

2. STATEMENT OF COMPLIANCE

The Group and individual financial statements of Accord Topco Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

Basis of preparation

These consolidated and separate financial statements are prepared on a going concern basis, under the historical cost convention.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group and the Company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

The company has taken advantage of the exemption in section 408 of the Companies Act from disclosing its individual statement of income and retained earnings. The parent company's result for the financial year was £nil.

Going concern

The Group meets its day-to-day working capital requirements through its bank facilities. The current economic conditions continue to create uncertainty over (a) the level of demand for the Group's services; and (b) the availability of bank finance for the foreseeable future. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current facilities. After making enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its financial statements.

Exemptions for qualifying entities under FRS 102

The company has taken advantage of the exemption, under FRS 102 paragraph 1.12(b), from preparing a statement of cash flows and from disclosing key management personnel compensation, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the company's cash flows. For group purposes the consolidated cash flow has been prepared and key management personnel are considered to be the directors of the company for which the relevant disclosure has been made in note 6.

ACCORD TOPCO LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the Year Ended 31 May 2016 (continued)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of consolidation

The Group consolidated financial statements include the financial statements of the Company and all of its subsidiary undertakings made up to 31 May 2016. A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

Foreign currency

Functional and presentation currency

The Group financial statements are presented in pound sterling and rounded to thousands. The company's functional and presentation currency is the pound sterling.

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 that 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 the statement of income and retained earnings.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of returns, discounts and rebates allowed by the Group and value added taxes.

Revenue is recognised in the accounting period in which the crane hire occurs or the services are rendered. The whole of the revenue is attributable to the Group's principal activities, which, in the opinion of the directors constitutes one class of business. Revenue and operating profit is principally generated in the UK.

Exceptional items

The Group classifies certain one-off charges or credits that have a material impact on the Group's financial results as 'exceptional items'. These are disclosed separately to provide further understanding of the financial performance of the Group.

Employee benefits

Defined contribution pension plans

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the statement of income and retained earnings, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively. Current or deferred taxation assets and liabilities are not discounted.

ACCORD TOPCO LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the Year Ended 31 May 2016 (continued)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation (continued)

Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Business combinations and goodwill

Goodwill recognised represents the excess of the fair value and directly attributable costs of the purchase consideration over the fair values to the Group's interest in the identifiable net assets, liabilities and contingent liabilities acquired.

Goodwill is amortised over its expected useful life which is considered to be a period of 20 years, being the period expected to benefit. The company evaluates the carrying value of goodwill in each financial period to determine if there has been impairment in value, which would result in the inability to recover the carrying amount. When it is determined that the carrying value exceeds the recoverable amount, the excess is written off to the statement of income and retained earnings.

Tangible assets

Tangible assets are stated at cost (or deemed cost) less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use which, in respect of refurbishment of mobile cranes, includes parts and an allocation of internal labour.

Depreciation is provided at the following rates in order to write off each asset over its estimated useful economic life:

Mobile cranes	- 10% per annum reducing balance
Motor vehicles	- 25% per annum reducing balance
Plant and equipment	- 10% per annum straight line
Chains and shackles	- 50% per annum reducing balance
Fixtures, fittings and equipment	- 15% per annum straight line
Computers and equipment	- 25% per annum straight line
Short leasehold land and buildings	- Period of lease

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

ACCORD TOPCO LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the Year Ended 31 May 2016 (continued)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Tangible assets (continued)

Management review tangible fixed assets where there is an indication that impairment has occurred. For significant impairments, appropriate professional advice is undertaken. Impairment of value is determined where the post-tax realisable value and continuing working use value are less than the net book value of the asset.

Leased assets

Operating leased assets

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged to the statement of income and retained earnings on a straight line basis over the life of the lease.

Investments

Fixed asset investments are stated at cost less provision for permanent diminution in value.

Inventories

Inventories are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Loans

Loans are stated at historical cost. Costs directly relating to the securing of the loans are deferred on the statement of financial position and released to the statement of income and retained earnings over the term of the loan.

Related party transactions

The Group discloses transactions with related parties which are not wholly owned within the same group. It does not disclose transactions with members of the same group that are wholly owned.

4. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstance.

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities within the next financial year are addressed below.

i) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual value of the assets. The useful economic lives and residual values are re-assessed annually. See note 11 for the carrying amount of the property, plant and equipment, and note 3 for the useful economic lives for each class of asset.

ii) Impairment of debtors

The Group makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 14 for the net carrying value of the debtors.

ACCORD TOPCO LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the Year Ended 31 May 2016 (continued)**

4. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY (continued)

iii) Carrying value of goodwill

The annual amortisation charge for intangible assets is sensitive to changes in the estimated useful economic life of the goodwill. The useful economic life is re-assessed annually. See note 10 for the net carrying value of the intangible assets and note 3 for the useful economic life of the goodwill.

5. GROUP OPERATING PROFIT

The group operating profit is stated after charging:

	2016	3 months 2015
	£'000	£'000
Re-hire of plant and machinery	7,914	1,905
Operating leases charges	3,611	560
Inventory recognised as an expense	2,429	445
Depreciation	14,816	2,422
Goodwill amortisation	7,691	1,292
Auditors' remuneration – fees payable for audit services	75	65
- fees payable for taxation compliance services	11	11
	<u>11</u>	<u>11</u>

Audit fees in respect of the company financial statements were £5,000 and borne by Ainscough Crane Hire Limited, a subsidiary undertaking.

6. DIRECTORS' AND EMPLOYEES' COSTS

	2016	3 months 2015
	£'000	£'000
Wages and salaries	46,752	9,780
Social security costs	5,683	894
Other pension costs	610	97
	<u>53,045</u>	<u>10,771</u>

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

	2016	2015
	No.	No.
Operations	782	796
Administration	269	268
	<u>1,051</u>	<u>1,064</u>

	2016	3 months 2015
	£'000	£'000
Directors' remuneration	553	127
Directors' pension contributions to money purchase schemes	14	3
	<u>567</u>	<u>130</u>

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

	1	1
Money purchase schemes	<u>1</u>	<u>1</u>

ACCORD TOPCO LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the Year Ended 31 May 2016 (continued)**

6. DIRECTORS' AND EMPLOYEES' COSTS (continued)

Information regarding the highest paid director is as follows:

	2016	3 months 2015
	£'000	£'000
Emoluments	314	380
Contributions to money purchase pension schemes	<u>-</u>	<u>-</u>

7. EXCEPTIONAL ADMINISTRATIVE EXPENSES

	2016	3 months 2015
	£'000	£'000
Restructuring and refinancing costs	1,140	1,554
	<u>1,140</u>	<u>1,554</u>

During the year/period, the Group incurred professional advisor fees in relation to the change in ownership.

8. NET INTEREST PAYABLE AND SIMILAR CHARGES

	2016	3 months 2015
	£'000	£'000
Bank interest receivable	(4)	(1)
Bank loans	14,874	2,839
Loan notes	13,082	2,407
Other loans	878	253
Amortisation of debt issue costs	1,547	258
Monitoring fee	1,000	-
	<u>31,377</u>	<u>5,756</u>

9. TAX (CREDIT)/CHARGE ON LOSS ON ORDINARY ACTIVITIES

Analysis of the tax (credit)/charge

The taxation (credit)/charge based on the loss for the year/period is made up as follows:

	2016	2015
	£'000	£'000
Current tax:		
UK corporation tax on loss for the Year/Period	-	34
Adjustments in respect of prior periods	75	-
	<u>75</u>	<u>34</u>
Deferred tax:		
Origination and reversal of timing differences	(869)	(20)
Adjustments in respect of prior periods	27	-
Effect of tax rate change on opening balance	(984)	-
Total deferred tax (note 17)	<u>(1,826)</u>	<u>(20)</u>
Tax (credit)/charge on loss on ordinary activities	<u>(1,751)</u>	<u>14</u>

ACCORD TOPCO LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the Year Ended 31 May 2016 (continued)**

9. TAX ON LOSS ON ORDINARY ACTIVITIES (continued)

Factors affecting the tax charge

The tax charge assessed for the year is higher than (2015: higher than) the standard rate of corporation tax in the UK. The difference is explained below:

	2016	2015
	£'000	£'000
Loss on ordinary activities before taxation	(24,909)	(3,934)
Tax credit based on United Kingdom tax rate of 20% (2015: 20%)	(4,982)	(787)
Effects of:		
Expenses not deductible for tax purposes	2,392	543
Goodwill amortisation not deductible for tax purposes	1,540	258
Other tax adjustments, reliefs and transfers	62	-
Adjustment in respect of prior periods (current & inter-co)	75	-
Adjustments in respect of prior periods (deferred tax)	27	-
Adjust deferred tax to average rate	(919)	-
Deferred tax not recognised	54	-
Current tax (credit)/charge	<u>(1,751)</u>	<u>14</u>

The main rate of corporation tax was reduced from 21% to 20% from 1 April 2015. Further reductions to the UK Corporation tax rates were substantively enacted as part of the Summer Finance Bill 2015 on 26 October 2015 and the Chancellor's budget on 16 March 2016. These include reductions to the main rate to 19% from 1 April 2017 and 17% from 1 April 2020.

10. INTANGIBLE ASSETS

Group	Goodwill
	£'000
COST	
At 1 June 2015	153,821
Acquisitions (note 24)	126
Adjustments	<u>(211)</u>
At 31 May 2016	153,736
ACCUMULATED AMORTISATION	
At 1 June 2015	1,292
Charge for the Year	<u>7,691</u>
At 31 May 2016	8,983
NET BOOK VALUE	
At 31 May 2016	<u>144,753</u>
At 31 May 2015	<u>152,529</u>

ACCORD TOPCO LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the Year Ended 31 May 2016 (continued)**

11. TANGIBLE ASSETS
Group

	Short leasehold £'000	Plant, equipment and vehicles £'000	Fixtures and fittings £'000	Total £'000
COST				
At 1 June 2015	580	121,620	4,287	126,487
Additions	-	19,506	1,321	20,827
Acquisitions (note 24)	-	3,560	2	3,562
Disposals	-	(11,603)	-	(11,603)
At 31 May 2016	580	133,083	5,610	139,273
ACCUMULATED DEPRECIATION				
At 1 June 2015	19	2,236	167	2,422
Charge for Year	97	13,575	1,144	14,816
Disposals	-	(8,334)	-	(8,334)
At 31 May 2016	116	7,477	1,311	8,904
NET BOOK VALUE				
At 31 May 2016	464	125,606	4,299	130,369
At 31 May 2015	561	119,384	4,120	124,065

The company held no tangible assets during the year or at 31 May 2016 (2015: £nil).

12. INVESTMENTS
Company

	Unlisted Investments £'000
NET BOOK VALUE	
At 31 May 2015 and 31 May 2016	657

ACCORD TOPCO LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the Year Ended 31 May 2016 (continued)

12. INVESTMENTS (continued)

The related undertakings in which the company's interest at the year end is 20% or more are as follows:

Subsidiary undertaking	Country of incorporation	Share capital held	Nature of business
Accord Midco Limited	England	100%	Holding company
Accord Bidco Limited ¹	England	100%	Holding company
Ainscough Crane Hire Limited ¹	England	100%	Crane hire
Nationwide Crane Hire Limited ¹	England	100%	Dormant ²
James Jack Lifting Services Limited ¹	England	100%	Dormant ²
West Country Crane Hire Holdings Ltd ¹	England	100%	Holding company ²
West Country Crane Hire Limited ¹	England	100%	Dormant ²
Douglas House Investments Limited ¹	England	100%	Dormant ²
JFHA Limited ¹	England	100%	Dormant ²
Ainscough Wind Energy Services Limited ¹	England	100%	Wind Turbine solutions
Windcon Energy Services Limited ¹	England	100%	Dormant ²
Specialist Crane Hire Limited ¹	England	100%	Mobile crane hire
Jardine Crane Hire Limited ¹	England	100%	Dormant
Marsden Crane Hire Limited ¹	England	100%	Dormant

¹ Indirect share holding

² Companies are exempt from statutory audit

The directors believe that the carrying value of the investments is supported by their underlying net assets.

13. STOCKS

Group

	2016	2015
	£'000	£'000
Raw materials and consumables	<u>889</u>	<u>902</u>

There is no material difference between the replacement cost of inventory and its carrying amount.

The company had no inventories at 31 May 2016 (2015: £nil).

14. DEBTORS

	Group	Group	Company	Company
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Trade debtors	19,524	20,112	-	-
Other debtors	608	926	1	-
Corporation tax	381	-	-	-
Prepayments and accrued income	<u>7,449</u>	<u>5,987</u>	<u>-</u>	<u>-</u>
	<u>27,962</u>	<u>27,025</u>	<u>1</u>	<u>-</u>

ACCORD TOPCO LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the Year Ended 31 May 2016 (continued)**

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2016 £'000	Group 2015 £'000	Company 2016 £'000	Company 2015 £'000
Trade creditors	5,469	4,674	-	-
Bank loans and overdrafts	13,000	-	-	-
Amounts owed to group undertakings	-	-	1	-
Corporation tax	-	171	-	-
Other creditors	848	3,587	-	-
Other taxation and social security	4,865	5,179	-	-
Accruals and deferred income	10,371	10,906	-	-
	<u>34,553</u>	<u>24,517</u>	<u>1</u>	<u>-</u>

The bank loans and overdrafts is a short-term revolving credit facility that incurs interest of 3.5% above LIBOR.

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

	Group 2016 £'000	Group 2015 £'000	Company 2016 £'000	Company 2015 £'000
Bank loans and overdrafts	178,954	180,000	-	-
Debt issue costs	(6,027)	(7,274)	-	-
Loan notes	123,149	110,067	-	-
Debt issue costs	(2,650)	(2,950)	-	-
	<u>293,426</u>	<u>279,843</u>	<u>-</u>	<u>-</u>

The bank loan bears interest at 7.5% above LIBOR and is repayable on 24 March 2021.

The loan notes bear interest at 12% and are repayable on 24 March 2025.

Security is held over leasehold property, intellectual property and plant and machinery.

17. PROVISIONS FOR LIABILITIES

Group		
Deferred tax liability	2016 £'000	2015 £'000
Balance at 1 June/4 March	9,810	-
Additions during the year/period	357	9,830
Utilised in the year/period (note 9)	(1,826)	(20)
Balance at 31 May	<u>8,341</u>	<u>9,810</u>
	2016 £'000	2015 £'000
Deferred tax recognised		
Accelerated capital allowances	8,365	9,927
Short term timing differences	(24)	(117)
	<u>8,341</u>	<u>9,810</u>

ACCORD TOPCO LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the Year Ended 31 May 2016 (continued)

18. CALLED UP SHARE CAPITAL
Allotted and fully paid:

Number	Class	Nominal value	2016 £	2015 £
653,220	Ordinary A1	£0.01	6,532	6,532
15,577	Ordinary A2	£0.01	156	156
3	Ordinary B	£1,000	3,000	3,000
91,200	Ordinary C	£0.01	912	912
			<u>10,600</u>	<u>10,600</u>

19. OTHER RESERVES
Group and company

**Share premium
account
£'000**

At 31 May 2015 and 31 May 2016

646

20. TOTAL LEASE COMMITMENTS

The company had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

Group	Land & building 2016 £'000	Other 2016 £'000	Land & building 2015 £'000	Other 2015 £'000
Expiring:				
Within one year	1,769	1,458	1,573	1,437
Within two to five years	8,136	2,794	7,570	2,950
In more than five years	890	-	2,115	-
	<u>10,795</u>	<u>4,252</u>	<u>11,258</u>	<u>4,387</u>

21. OTHER FINANCIAL COMMITMENTS

**2016
£'000** **2015
£'000**

Capital commitments as at 31 May

- 7,639

22. NOTES TO THE CASH FLOW STATEMENT

a) Reconciliation of operating profit to net cash inflow from operating activities

	2016 £'000	2015 £'000
Operating profit	5,809	1,822
Depreciation	14,816	2,422
Amortisation	7,691	1,292
Decrease in stocks	53	215
(Increase)/decrease in debtors	(433)	2,571
Increase/(decrease) in creditors	41	(365)
Net cash inflow from operating activities	<u>27,977</u>	<u>7,957</u>

ACCORD TOPCO LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the Year Ended 31 May 2016 (continued)

22. NOTES TO THE CASH FLOW STATEMENT (continued)

b) Reconciliation to net debt

	2016	2015
	£'000	£'000
(Decrease)/Increase in cash in the year/period	(460)	6,358
Cash outflow from increase in debt and finance agreements	(11,954)	(277,436)
Change in debt from cash flows	(12,414)	(271,078)
Non-cash changes	(14,629)	(2,407)
Movement in net debt in the year/period	(27,043)	(273,485)
Net debt at 1 June/4 March	(273,485)	-
Net debt at 31 May	(300,528)	(273,485)

c) Analysis of net debt

	At		Non-cash	At
	1 June	Cash flow	changes	31 May
	2015	£'000	£'000	2016
	£'000			£'000
Cash at bank	6,358	(460)	-	5,898
	6,358	(460)	-	5,898
Debts:				
Loans	(290,067)	1,046	(13,082)	(302,103)
Revolving credit facility	-	(13,000)	-	(13,000)
Unamortised debt issue costs	10,224	-	(1,547)	8,677
Total debt	(279,843)	(11,954)	(14,629)	(306,426)
Net debt	(273,485)	(12,414)	(14,629)	(300,528)

Non cash changes consist of rolled up interest and amortisation of debt issue costs.

23. RELATED PARTY TRANSACTIONS

The company has taken exemption under FRS 102 paragraph 1.12(b) from disclosing transactions with entities that are wholly owned as part of the group.

The group issued Loan Notes to OCM Luxembourg EPF III Accord Financing S.A.R.L. for £105,132,000. During the year/period interest of £12,775,000 (3 months to 31 May 2015: £2,350,000) accrued on these loan notes. The balance as at 31 May 2016 is £120,257,000 (2015: £107,482,000).

The group issued Loan Notes to members of the Ainscough Crane Hire Limited management team for £2,528,000. During the year/period interest of £307,000 (3 months to 31 May 2015: £57,000) accrued on these loan notes. The balance as at 31 May 2016 is £2,892,000 (2015: £2,585,000).

The group incurred a management fee from OCM FLE LLC for £1,000,000 (2015: £nil). The balance as at 31 May 2016 is £1,000,000 (2015: £nil).

All related party transactions are considered to be at arm's length.

ACCORD TOPCO LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the Year Ended 31 May 2016 (continued)**

24. ACQUISITIONS

On 4 December 2015 the Group acquired Specialist Crane Hire Limited, Marsden Crane Hire Limited and Jardine Crane Hire Limited, for £2,700,000.

In calculating the goodwill arising on acquisition, the fair value of the net assets of Specialist Crane Hire Limited have been assessed. The net assets acquired are summarised in the following table:

	Book value £'000	Revaluation £'000	Fair value £'000
Fixed assets			
Tangible	3,562	-	3,562
Intangible	135	(135)	-
Current assets			
Stocks	40	-	40
Debtors	798	-	798
Cash at bank and in hand	862	-	862
Total assets	5,397	(135)	5,262
Creditors			
Due within one year	576	-	576
Finance leases	1,755	-	1,755
Provisions	357	-	357
Net assets	<u>2,709</u>	<u>(135)</u>	<u>2,574</u>
Cash consideration			2,700
Net assets acquired			2,574
Goodwill arising on acquisition (note 10)			<u>126</u>

The revaluation of intangible assets relates to the assessed fair value of the goodwill on acquisition.

Cash flows

The net outflow of cash arising from the acquisition of Ainscough Crane Hire Limited was as follows:

	£'000
Cash consideration, as above	2,700
Directly attributable costs	14
	<u>2,714</u>
Cash acquired	(862)
Net outflow of cash	<u>1,852</u>

The revenue from Specialist Crane Hire Limited included in the consolidated statement of income and retained earnings for 2016 was £885,000. Specialist Crane Hire also contributed profit of £33,000 over the same period.

ACCORD TOPCO LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the Year Ended 31 May 2016 (continued)**

25. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent undertaking is OCM Luxembourg EPF III Accord Financing S.A.R.L.. The ultimate parent undertaking and controlling party is Oaktree Capital Management, a company incorporated in Luxembourg.

Accord Topco Limited is the parent undertaking of the largest and smallest group of undertakings to consolidate these financial statements at 31 May 2016. The consolidated financial statements of Accord Topco Limited are available from Bradley Hall, Bradley Lane, Standish, Wigan, WN6 0XQ.

26. TRANSITION FROM UK GAAP TO FRS 102

This is the first year that the Company has presented its result under FRS 102. The last financial statements prepared under the previous UK GAAP were for the year ended 31 May 2015. The date of the transition to FRS 102 was 4 March 2015.

None of the changes arising from the transition to FRS 102 resulted in any restatement of prior year results. Changes were primarily in respect of accounting disclosures and notes.