

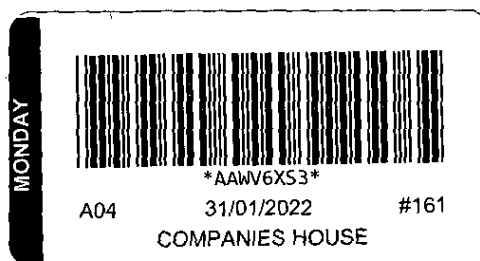
## **LGH Europe Limited**

Annual Report and Financial Statements

Year Ended

30 April 2021

Company Number 05436994



# **LGH Europe Limited**

## **Company Information**

---

<b>Directors</b>	A J Mault I W Parkinson B Vermeer R W Halliwell
<b>Registered number</b>	05436994
<b>Registered office</b>	120 Bolton Road Atherton Manchester England M46 9JZ
<b>Independent auditor</b>	BDO LLP 3 Hardman Street Manchester M3 3AT

# **LGH Europe Limited**

## **Contents**

---

	<b>Page</b>
<b>Group Strategic Report</b>	<b>1 - 2</b>
<b>Directors' Report</b>	<b>3 - 4</b>
<b>Directors' Responsibilities Statement</b>	<b>5</b>
<b>Independent Auditor's Report</b>	<b>6 - 9</b>
<b>Consolidated Statement of Comprehensive Income</b>	<b>10</b>
<b>Consolidated Statement of Financial Position</b>	<b>11</b>
<b>Company Statement of Financial Position</b>	<b>12</b>
<b>Consolidated Statement of Changes in Equity</b>	<b>13 - 14</b>
<b>Company Statement of Changes in Equity</b>	<b>15</b>
<b>Consolidated Statement of Cash Flows</b>	<b>16</b>
<b>Notes to the Financial Statements</b>	<b>17 - 36</b>

# **LGH Europe Limited**

## **Group Strategic Report For the Year Ended 30 April 2021**

---

### **Introduction**

The Directors present their Group Strategic Report for the year ended 30 April 2021.

### **Business review**

The Group's principal activity is the hire of lifting equipment across Europe and has trading subsidiaries in the UK, Belgium, Holland and Germany. The Group follows its strategic plan to develop the network of operations and has invested in its development.

The Group has been loss making during its initial period of development. This was expected and it has been funded during this phase in its lifecycle through bank funding with support provided by a company under common control. The Directors are satisfied that the Group's performance aligns with the overall strategic plan and anticipates the Group moving into profitability in the near future.

The year's results show a turnover of £9,023,982 (2020 - £9,238,893) at a margin of 43.3% (2020 – 42%). The net loss for the year was £824,856 (2020 – £679,609).

The Group continues to have the support of shareholders and the established entities under common control and remains committed to the long term strategic plan.

### **Principal risks and uncertainties**

The principal risks and uncertainties for the Group are the activity levels in the Group's main markets. These markets' independence mitigates the risks from significantly reduced activity levels in a single geographic market. The Group has taken action around cost and cash preservation in response of the risks arising from COVID-19 and actions are monitored through comprehensive monthly management accounts and forecasting. After the initial shock of the outbreak of the COVID-19 pandemic which did lead to a reduction in demand, the level of uncertainty has been mitigated to a degree by the nature of the contracts undertaken and the market sectors the Group services with construction work in most jurisdictions continues to operate. Further information on the COVID-19 actions and measures taken by the Group are detailed in the going concern section in the Directors Report.

Long term funding arrangements are secured by a company under common control mitigating solvency risks.

Risks arising from Brexit are alleviated from the geographic coverage of the Group serving local markets.

### **Financial key performance indicators**

During the Group's development, the business's key performance indicators are turnover and gross margin, as described in the business review above.

The Group employs standard credit control processes to assess and control the risk of bad debts, using a prudent approach to setting provisions.

Insurance policies are maintained to cover significant risks for injury, damage and loss.

# LGH Europe Limited

## Group Strategic Report (continued) For the Year Ended 30 April 2021

---

### Financial Instruments

The Group's operations expose it to various financial risks that include interest rate risk and credit risk. The Group cannot avoid interest rate risk as all of the Group's bank borrowings are at variable interest rates, although most of the hire purchase and finance lease borrowing is at fixed rates. The Group does not use financial instruments to manage interest rate costs.

The Group has firm policies that credit checks are made on customers before sales are made, and credit limits are applied subsequently. The amount of exposure to all customers is kept under constant review.

The Group has no exposure to equity securities price risk and minimal exposure to commodity price risk and currency risk.

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



A J Mault  
Director

Date:

28/1/2022

# **LGH Europe Limited**

## **Directors' Report For the Year Ended 30 April 2021**

---

The Directors present their report and the audited financial statements for the year ended 30 April 2021.

### **Principal activity**

The Company's principal activity was that of a holding company.

The principal activity of the Group was the hire of lifting equipment across Europe.

### **Results and dividends**

The loss for the year, after taxation, amounted to £824,856 (2020 - loss £679,609).

The Directors do not recommend the payment of a dividend (2020 - £Nil).

### **Directors**

The Directors who served during the year were:

A J Mault  
I W Parkinson

The Directors who were appointed after the year end were:

B Vermeer (appointed 1 June 2021)  
R W Halliwell (appointed 27 September 2021)

### **Future developments**

After restructuring in the previous year, the Group has undergone changes in management structure to ensure all entities are managed under one common leadership structure and to drive efficiencies and work practises across the Group.

### **Going concern**

The Directors have made appropriate enquiries and formed a judgment when approving the financial information that the Company and Group has adequate resources to support its operational existence for the foreseeable future. For this reason, the Directors continue to adopt the going concern basis in preparing the financial information.

In the months following the financial year end, the Directors have managed the Company and Group through the unprecedented disruption arising from the COVID-19 pandemic and disturbances from Brexit. In line with government advice, the Directors continued to facilitate all necessary measures to continue its business operations in a sustained and safe environment for all staff, including home working and suitable PPE where necessary.

The Directors continue to keep comprehensive forecasting and scenarios based models to assess the impact of COVID-19 and Brexit on operational performance. These analytics are monitored using a rolling principle and are updated and revised regularly to ensure the business model remains dynamic and proactive in the evolving economic climate. Despite the period of uncertainty, the Directors applied focus and strategies to all areas of the business to mitigate any potential impact on operational performance. As a result, no additional lending or increased levels of credit have been required.

# LGH Europe Limited

## Directors' Report (continued) For the Year Ended 30 April 2021

---

### Going concern (continued)

While the impact of the third wave of the pandemic is inherently difficult to quantify, the Directors recognise there may be further disruptions to the businesses operational performance, however, to date are satisfied the impact has not been as significant as the first waves despite the additional lockdowns. The construction sector continues to operate in line with government advice. The cost saving measure implemented early in the initial wave has resulted in improved operating performance.

### Matters covered in the Strategic Report

In accordance with section 414C(11) of the Companies Act, certain matters required to be detailed in the Directors' Report are detailed in the Strategic Report where the Director considers them to be of strategic importance to the Group.

### Disclosure of information to auditor

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

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

### Events after the reporting period

There have been no significant events affecting the Group since the year end.

### Auditor

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

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

  
A J Mault  
Director  
Date: 26/1/2022.

# **LGH Europe Limited**

## **Directors' Responsibilities Statement For the Year Ended 30 April 2021**

---

The Directors are responsible for preparing the Group Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group and Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and 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 judgments 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 responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



# **LGH Europe Limited**

## **Independent Auditor's report to the members of LGH Europe Limited**

---

### **Opinion on the financial statements**

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 April 2021 and of the Group's loss for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of LGH Europe Limited (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 30 April 2021 which comprise Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows, Company Statement of Financial Position, Company Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

### **Basis for opinion**

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

### *Independence*

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

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

# **LGH Europe Limited**

## **Independent Auditor's report to the members of LGH Europe Limited (continued)**

---

### **Other information**

The Directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Other Companies Act 2006 reporting**

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

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

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

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

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

### **Responsibilities of Directors**

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent 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 Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

# LGH Europe Limited

## Independent Auditor's report to the members of LGH Europe Limited (continued)

---

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

#### *Extent to which the audit was capable of detecting irregularities, including fraud*

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding and accumulated knowledge of the Group and Parent Company and the sector in which it operates we considered the risk of acts by the Group and Parent Company which were contrary to applicable laws and regulations, including fraud and whether such actions or non-compliance might have a material effect on the financial statements. These included but were not limited to those that relate to the form and content of the financial statements, such as the Group and Parent Company accounting policies, the financial reporting framework and the UK Companies Act 2006. All team members were briefed to ensure they were aware of any relevant regulations in relation to their work.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries and management bias in accounting estimates as well as inappropriate revenue cut-off. Our audit procedures included, but were not limited to:

- Agreement of the financial statement disclosures to underlying supporting documentation;
- Identifying and testing journal entries, with a focus on manual journals to revenue, unusual account combinations and journals indicating large or unusual transactions based on our understanding of the business;
- Testing a sample of revenue recognised either side of the period end to ensure revenue has been recognised in the correct period;
- Challenging assumptions, accounting estimates and judgements made by the Directors;
- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Obtaining an understanding of the control environment in monitoring compliance with laws and regulations

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's Report.


# LGH Europe Limited

## Independent Auditor's report to the members of LGH Europe Limited (continued)

---

### Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:  
  
496D0A55E7C14AD

**Steven Roberts** (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
Manchester  
United Kingdom  
28 January 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# LGH Europe Limited

## Consolidated Statement of Comprehensive Income For the Year Ended 30 April 2021

	Note	2021 £	2020 £
Turnover	4	9,023,982	9,238,893
Cost of sales		(5,110,726)	(5,358,574)
<b>Gross profit</b>		<b>3,913,256</b>	<b>3,880,319</b>
Administrative expenses		(4,489,162)	(4,220,104)
Other operating income	5	42,096	37,989
<b>Operating loss</b>	6	<b>(533,810)</b>	<b>(301,796)</b>
Interest payable and similar expenses	9	(282,650)	(318,810)
<b>Loss before taxation</b>		<b>(816,460)</b>	<b>(620,606)</b>
Tax on loss	10	(8,396)	(59,003)
<b>Loss for the financial year</b>		<b>(824,856)</b>	<b>(679,609)</b>
Surplus on revaluation of tangible fixed assets		-	83,245
Deferred tax movements on revaluation		-	(15,817)
Currency translation differences		5,337	(22,398)
<b>Other comprehensive income for the year</b>		<b>5,337</b>	<b>45,030</b>
<b>Total comprehensive loss for the year</b>		<b>(819,519)</b>	<b>(634,579)</b>

The notes on pages 17 to 36 form part of these financial statements.

**LGH Europe Limited**  
Registered number:05436994

**Consolidated Statement of Financial Position**  
**As at 30 April 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	11	4,453,320	5,127,133
<b>Current assets</b>			
Stocks	13	28,983	39,427
Debtors: amounts falling due within one year	14	2,901,852	2,667,194
Cash at bank and in hand	15	670,961	812,103
		<u>3,601,796</u>	<u>3,518,724</u>
Creditors: amounts falling due within one year	16	(11,261,130)	(3,700,775)
<b>Net current liabilities</b>		<u>(7,659,334)</u>	<u>(182,051)</u>
<b>Total assets less current liabilities</b>		<u>(3,206,014)</u>	<u>4,945,082</u>
Creditors: amounts falling due after more than one year	17	(153,892)	(7,485,440)
<b>Provisions for liabilities</b>			
Deferred taxation	20	(34,500)	(34,529)
<b>Net liabilities</b>		<u><u>(3,394,406)</u></u>	<u><u>(2,574,887)</u></u>
<b>Capital and reserves</b>			
Called up share capital	21	100,000	100,000
Revaluation reserve	22	545,933	545,933
Foreign exchange reserve	22	24,310	18,973
Profit and loss account	22	(4,064,649)	(3,239,793)
<b>Deficit attributable to owners of the parent Company</b>		<u><u>(3,394,406)</u></u>	<u><u>(2,574,887)</u></u>

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

  
A J Mault  
Director

Date:

*28/1/2022*

The notes on pages 17 to 36 form part of these financial statements.

**LGH Europe Limited**  
Registered number:05436994

**Company Statement of Financial Position**  
**As at 30 April 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Investments	12	110,100	110,100
		<u>110,100</u>	<u>110,100</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	14	1,927,269	2,014,983
Cash at bank and in hand	15	406,223	315,529
		<u>2,333,492</u>	<u>2,330,512</u>
Creditors: amounts falling due within one year	16	(2,351,487)	(95,333)
<b>Net current (liabilities)/assets</b>		<u>(17,995)</u>	<u>2,235,179</u>
<b>Total assets less current liabilities</b>		<u>92,105</u>	<u>2,345,279</u>
Creditors: amounts falling due after more than one year	17	-	(2,245,695)
<b>Net assets</b>		<u>92,105</u>	<u>99,584</u>
<b>Capital and reserves</b>			
Called up share capital	21	100,000	100,000
Profit and loss account brought forward	22	(416)	(353)
Loss for the year	22	(7,479)	(63)
		<u>(7,895)</u>	<u>(416)</u>
Profit and loss account carried forward		<u>(7,895)</u>	<u>(416)</u>
<b>Shareholders' funds</b>		<u>92,105</u>	<u>99,584</u>

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

  
A J Maud  
Director

Date:

  
28/1/2022

The notes on pages 17 to 36 form part of these financial statements.

# LGH Europe Limited

## Consolidated Statement of Changes in Equity For the Year Ended 30 April 2021

	Called up share capital	Revaluation reserve	Foreign exchange reserve	Profit and loss account	Total deficit
	£	£	£	£	£
At 1 May 2020	100,000	545,933	18,973	(3,239,793)	(2,574,887)
<b>Comprehensive loss for the year</b>					
Loss for the year	-	-	-	(824,856)	(824,856)
<b>Other comprehensive income</b>					
Currency translation differences	-	-	5,337	-	5,337
<b>Other comprehensive income for the year</b>	-	-	5,337	-	5,337
<b>Total comprehensive loss for the year</b>	-	-	5,337	(824,856)	(819,519)
<b>Contributions by and distributions to owners</b>					
Transfer to/from profit and loss account	-	-	-	-	-
<b>At 30 April 2021</b>	<b>100,000</b>	<b>545,933</b>	<b>24,310</b>	<b>(4,064,649)</b>	<b>(3,394,406)</b>

The notes on pages 17 to 36 form part of these financial statements.



# LGH Europe Limited

## Consolidated Statement of Changes in Equity For the Year Ended 30 April 2020

	Called up share capital	Revaluation reserve	Foreign exchange reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 May 2019	100,000	468,079	41,371	(2,549,758)	(1,940,308)
<b>Comprehensive loss for the year</b>					
Loss for the year	-	-	-	(679,609)	(679,609)
<b>Other comprehensive income</b>					
Deferred tax movements	-	-	-	(15,817)	(15,817)
Surplus on revaluation of freehold property	-	83,245	-	-	83,245
Currency translation differences	-	-	(22,398)	-	(22,398)
<b>Other comprehensive income for the year</b>	-	83,245	(22,398)	(15,817)	45,030
<b>Total comprehensive loss for the year</b>	-	83,245	(22,398)	(695,426)	(634,579)
<b>Contributions by and distributions to owners</b>					
Transfer to/from profit and loss account	-	(5,391)	-	5,391	-
<b>Total transactions with owners</b>	-	(5,391)	-	5,391	-
<b>At 30 April 2020</b>	<b>100,000</b>	<b>545,933</b>	<b>18,973</b>	<b>(3,239,793)</b>	<b>(2,574,887)</b>

The notes on pages 17 to 36 form part of these financial statements.

# **LGH Europe Limited**

## **Company Statement of Changes in Equity For the Year Ended 30 April 2021**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 May 2020	100,000	(416)	99,584
<b>Comprehensive loss for the year</b>			
Loss for the year	-	(7,479)	(7,479)
<b>At 30 April 2021</b>	<u>100,000</u>	<u>(7,895)</u>	<u>92,105</u>

## **Company Statement of Changes in Equity For the Year Ended 30 April 2020**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 May 2019	100,000	(353)	99,647
<b>Comprehensive loss for the year</b>			
Loss for the year	-	(63)	(63)
<b>At 30 April 2020</b>	<u>100,000</u>	<u>(416)</u>	<u>99,584</u>

The notes on pages 17 to 36 form part of these financial statements.

# LGH Europe Limited

## Consolidated Statement of Cash Flows For the Year Ended 30 April 2021

	2021 £	2020 £
<b>Cash flows from operating activities</b>		
Loss for the financial year	(824,856)	(679,609)
<b>Adjustments for:</b>		
Depreciation of tangible assets	1,081,068	1,030,821
(Profit)/Loss on disposal of tangible assets	(53,632)	62,811
Interest payable	282,650	303,810
Taxation charge	8,396	59,003
Decrease in stocks	10,444	130,858
(Increase)/decrease in debtors	(234,658)	327,723
Increase in creditors	233,750	319,326
Corporation tax (paid)	(3,987)	(1,006)
<b>Net cash generated from operating activities</b>	<b>499,175</b>	<b>1,553,737</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(522,588)	(737,246)
Sale of tangible fixed assets	195,922	89,429
<b>Net cash used in investing activities</b>	<b>(326,666)</b>	<b>(647,817)</b>
<b>Cash flows from financing activities</b>		
New secured loans	50,000	-
Repayment of finance leases	(143,712)	(119,835)
Interest paid	(282,650)	(303,810)
<b>Net cash used in financing activities</b>	<b>(376,362)</b>	<b>(423,645)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(203,853)</b>	<b>482,275</b>
Cash and cash equivalents at beginning of year	493,937	27,411
Foreign exchange gains and losses	5,006	(15,749)
<b>Cash and cash equivalents at the end of year</b>	<b>295,090</b>	<b>493,937</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	670,961	812,103
Bank overdrafts	(375,871)	(318,166)
	<b>295,090</b>	<b>493,937</b>

The notes on pages 17 to 36 form part of these financial statements.

# LGH Europe Limited

## Notes to the Financial Statements For the Year Ended 30 April 2021

---

### 1. General information

LGH Europe Limited is a private company limited by shares, incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the Company Information page and the nature of the Company's operations and its principal activities are set out in the Directors' Report.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

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

The presentation currency of these financial statements is Sterling. All amounts in these financial statements have been rounded to the nearest £1.

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

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

#### 2.2 Parent Company disclosure exemptions

In preparing the separate financial statements of the Parent Company, advantage has been taken of the following disclosure exemptions available to qualifying entities:

- No cash flow statement or net debt reconciliation has been presented for the Parent Company; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the Parent Company as their remuneration is included in the totals for the Group as a whole.

#### 2.3 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

# **LGH Europe Limited**

## **Notes to the Financial Statements For the Year Ended 30 April 2021**

---

### **2. Accounting policies (continued)**

#### **2.4 Going concern**

The Directors have made appropriate enquiries and formed a judgement when approving the financial information that the Company and the Group has adequate resources to support its operational existence for the foreseeable future. For this reason, the Directors continue to adopt the going concern basis in preparing the financial information.

The subsequent waves of the Covid-19 pandemic, which followed from the initial outbreak in March 2020, have had a less detrimental impact on the business as the sectors LGH delivers to was widely remained open through any additional restrictions imposed by the local Governments. Where sectors and businesses were closed during the initial wave, projects were delayed and picked up near the end of the year. Also work has been delayed into the new financial year.

The Directors have reviewed the budget information and cash flow forecast for the period to January 2023. Having regard to the potential impact of the reasonably foreseeable events and circumstances, the Directors have formed an expectation that the Group and the Company has adequate resources to continue in operation, meet liabilities as they fall due and operate within available cash resources of the period of assessment. As part of their review the Directors have assumed that the funding arrangements in the Group fall due on 31 January 2022 will be rolled over on consistent terms which is expected based on the nature of security provided and based on engagement with the Groups bankers.

Therefore the financial statements have been prepared on a going concern basis. The key matters taken into account in forming this assessment are the actual trading levels during the period and the nature of security provided to the Groups' bankers by the companies under common control.

Aside from Covid-19, the Directors consider that there are no other indicators to consider as part of the going concern assessment.

#### **2.5 Turnover**

Turnover, which excludes value added tax and trade discounts, represents the invoiced value of goods and services supplied. Turnover is recognised on despatch of product for sale items and on reaching the minimum hire period for rental equipment.

#### **2.6 Leased assets: the Group as lessee**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Group. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

#### **2.7 Government grants**

Payments received from the government for furloughed employees are a form of grant. This grant money is receivable as compensation for expenses already incurred, and where this is not in respect of future related costs, is recognised in income in the period in which it becomes receivable and the related expense is incurred.

# **LGH Europe Limited**

## **Notes to the Financial Statements For the Year Ended 30 April 2021**

---

### **2. Accounting policies (continued)**

#### **2.8 Finance costs**

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

#### **2.9 Operating leases: the Group as lessee**

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight line basis over the lease term.

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

The Group has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 May 2019 to continue to be charged over the period to the first market rent review rather than the term of the lease.

#### **2.10 Pensions**

##### **Defined contribution pension plan**

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 in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

#### **2.11 Foreign currency translation**

##### **Functional and presentation currency**

The Group and Company's functional and presentational currency is GBP.

##### **Transactions and balances**

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

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

# LGH Europe Limited

## Notes to the Financial Statements For the Year Ended 30 April 2021

---

### 2. Accounting policies (continued)

#### 2.11 Foreign currency translation (continued)

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

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

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

#### 2.12 Current and deferred taxation

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

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

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

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

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

# **LGH Europe Limited**

## **Notes to the Financial Statements For the Year Ended 30 April 2021**

---

### **2. Accounting policies (continued)**

#### **2.13 Tangible fixed assets**

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

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Land and buildings	- 1.5 - 2%
Plant and machinery	- 12 - 50%
Other fixed assets	- 12 - 24%

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

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

The Group has taken advantage of the optional exemption available on transition to FRS 102 to elect to use a previous revaluation of a tangible fixed asset at, or before, the date of transition to FRS 102 as its deemed cost at the revaluation date.

#### **2.14 Revaluation of tangible fixed assets**

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Statement of Financial Position date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in other comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

#### **2.15 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.



# **LGH Europe Limited**

## **Notes to the Financial Statements For the Year Ended 30 April 2021**

---

### **2. Accounting policies (continued)**

#### **2.16 Stocks**

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

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

#### **2.17 Debtors**

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

#### **2.18 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

#### **2.19 Creditors**

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

#### **2.20 Financial instruments**

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

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

# LGH Europe Limited

## Notes to the Financial Statements For the Year Ended 30 April 2021

### 2. Accounting policies (continued)

#### 2.20 Financial instruments (continued)

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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

The Group makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. These estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

#### Useful lives of property, plant and equipment

Depreciation is provided so as to write down the assets to their residual values over their estimated useful lives. Useful lives are regularly reviewed and should management's assessment of useful lives shorten then depreciation charges in the financial statements would increase and carrying amounts of property, plant and equipment would reduce accordingly. The carrying amount of property, plant and equipment by each class is included in note 11.

### 4. Turnover

The whole of the turnover is attributable to the principal activity of the Group.

Analysis of turnover by country of destination:

	2021 £	2020 £
United Kingdom	1,774,838	2,312,612
Rest of Europe	7,249,144	6,926,281
	<u>9,023,982</u>	<u>9,238,893</u>

# **LGH Europe Limited**

## **Notes to the Financial Statements For the Year Ended 30 April 2021**

### **5. Other operating income**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Government grants receivable - Coronavirus Job Retention Scheme	<b>42,096</b>	37,989

### **6. Operating loss**

The operating loss is stated after charging:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Depreciation of tangible fixed assets	<b>1,081,068</b>	1,030,821
(Profit)/Loss on disposal of tangible assets	<b>(53,632)</b>	62,811
Foreign exchange differences	<b>24,356</b>	(12,206)
Fees payable to the Group's auditor and its associates for the audit of the Group's annual accounts	<b>23,250</b>	21,100
Lease costs - land and buildings	<b>570,684</b>	514,534
Lease costs - other	<b>186,924</b>	166,007

### **7. Employees**

Staff costs were as follows:

	<b>Group 2021</b>	<b>Group 2020</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>3,664,200</b>	3,849,964
Social security costs	<b>449,889</b>	669,007
Cost of defined contribution scheme	<b>199,756</b>	206,174
	<b>4,313,845</b>	4,725,145

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

	<b>2021</b>	<b>2020</b>
	<b>No.</b>	<b>No.</b>
Selling and administration	<b>80</b>	88

The Company has no employees other than the Directors.

# LGH Europe Limited

## Notes to the Financial Statements For the Year Ended 30 April 2021

### 8. Directors' remuneration

	2021 £	2020 £
Directors' emoluments	<u>132,210</u>	<u>91,641</u>

During the year retirement benefits were accruing to no directors (2020 - Nil) in respect of defined contribution pension schemes.

### 9. Interest payable and similar expenses

	2021 £	2020 £
Bank interest payable	274,157	306,703
Finance leases and hire purchase contracts	8,493	12,107
	<u>282,650</u>	<u>318,810</u>

### 10. Taxation

	2021 £	2020 £
<b>Corporation tax</b>		
Overseas taxation	8,396	3,981
<b>Total current tax</b>	<u>8,396</u>	<u>3,981</u>
Origination and reversal of timing differences	-	55,022
<b>Total deferred tax</b>	<u>-</u>	<u>55,022</u>
<b>Taxation on loss</b>	<u>8,396</u>	<u>59,003</u>

# **LGH Europe Limited**

## **Notes to the Financial Statements For the Year Ended 30 April 2021**

### **10. Taxation (continued)**

#### **Factors affecting tax charge for the year**

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

	2021 £	2020 £
Loss on ordinary activities before tax	<u>(816,460)</u>	<u>(620,606)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	(155,127)	(117,915)
<b>Effects of:</b>		
Adjustments to tax charge in respect of prior periods	-	55,022
Unrelieved tax losses carried forward and not recognised	163,523	121,896
<b>Total tax charge for the year</b>	<u><u>8,396</u></u>	<u><u>59,003</u></u>

#### **Factors that may affect future tax charges**

The Group has unrecognised tax losses carried forward amounting to c.£4.3m (2020 - £2.7m).

An increase in the future main corporation tax rate to 25% from 1 April 2023, from the previously enacted 19%, was announced at the budget on 3 March 2021, and substantively enacted on 24 May 2021. The deferred tax balance at 30 April 2021 has been calculated based on the rate as at the Statement of Financial Position date.

# LGH Europe Limited

## Notes to the Financial Statements For the Year Ended 30 April 2021

### 11. Tangible fixed assets

#### Group

	Land and buildings £	Plant and machinery £	Other fixed assets £	Total £
<b>Cost or valuation</b>				
At 1 May 2020	1,151,948	11,310,443	1,120,833	13,583,224
Additions	-	444,362	101,952	546,314
Disposals	-	(694,366)	(27,605)	(721,971)
Exchange adjustments	1,402	13,767	1,364	16,533
At 30 April 2021	1,153,350	11,074,206	1,196,544	13,424,100
<b>Depreciation</b>				
At 1 May 2020	85,510	7,523,971	846,610	8,456,091
Charge for the year	24,220	948,413	108,435	1,081,068
Disposals	-	(556,945)	(22,736)	(579,681)
Exchange adjustments	(1,325)	10,384	4,243	13,302
At 30 April 2021	108,405	7,925,823	936,552	8,970,780
<b>Net book value</b>				
At 30 April 2021	1,044,945	3,148,383	259,992	4,453,320
At 30 April 2020	1,066,438	3,786,472	274,223	5,127,133

The valuation of the freehold property in Holland was subject to review by Directors on the 21 January 2021. The valuation was carried out by the Directors based on indicative information provided by qualified local valuers and sales agents.

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2021 £	2020 £
Plant and machinery	219,460	318,899
Other fixed assets	97,439	114,998
	<b>316,899</b>	<b>433,897</b>

# **LGH Europe Limited**

## **Notes to the Financial Statements For the Year Ended 30 April 2021**

### **11. Tangible fixed assets (continued)**

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2021 £	2020 £
<b>Group</b>		
Cost	789,897	789,897
Accumulated depreciation	(384,895)	(365,043)
<b>Net book value</b>	<u>405,002</u>	<u>424,854</u>

### **12. Fixed asset investments**

#### **Company**

	<b>Investments in subsidiary companies £</b>
<b>Cost and net book value</b>	
At 1 May 2020	110,100
At 30 April 2021	<u>110,100</u>

# LGH Europe Limited

## Notes to the Financial Statements For the Year Ended 30 April 2021

### 12. Fixed asset investments (continued)

#### Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Lifting Gear Hire Limited	120 Bolton Road, Atherton, Manchester, England, M46 9JZ	Lifting gear hire, sales, service and support	Ordinary	100%
LGH GmbH	Hafenstraße 280, 45356 Essen, Germany	Lifting gear hire, sales, service and support	Ordinary	100%
Lifting Gear Hire BVBA	Straatsburgdok Zuidkaai 6 Magazijn 2a, poort B 2030 Antwerp - Belgium	Lifting gear hire, sales, service and support	Ordinary	100%
LGH Verhuur Hysmaterieel B.V.	Mandenmakerstraat 22, 2984 AS Ridderkerk, Netherlands	Lifting gear hire, sales, service and support	Ordinary	100%
LGH Central Limited	120 Bolton Road, Atherton, Manchester, United Kingdom, M46 9JZ	Lifting gear hire, sales, service and support	Ordinary	100%

Under section 479A of the Companies Act 2006 LGH Central Limited is claiming exemption from audit. The parent undertaking LGH Europe Limited, registered number 05436994, guarantees all outstanding liabilities to which the subsidiary undertaking is subject at the end of the financial period, being 30 April 2021. The guarantee is enforceable against the parent undertaking by any person to whom the subsidiary undertaking is liable in respect of those liabilities.

### 13. Stocks

	Group 2021 £	Group 2020 £
Raw materials and consumables	<b>28,983</b>	39,427

Impairment losses totalling £Nil (2020 - £Nil) were recognised in profit and loss in respect of slow moving, damaged and obsolete stock.

There is no material difference between the replacement cost of stocks and the amounts stated above.



# **LGH Europe Limited**

## **Notes to the Financial Statements For the Year Ended 30 April 2021**

### **14. Debtors**

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade debtors	1,805,368	1,759,741	-	-
Amounts owed by group undertakings	-	-	1,927,269	2,014,983
Amounts owed by related party undertakings	797,646	630,202	-	-
Other debtors	104,805	106,883	-	-
Prepayments and accrued income	194,033	170,368	-	-
	<u>2,901,852</u>	<u>2,667,194</u>	<u>1,927,269</u>	<u>2,014,983</u>

Impairment losses totalling £Nil (2020 - £Nil) were recognised in profit and loss in respect of bad and doubtful debts.

Amounts owed by group undertakings are repayable on demand.

### **15. Cash and cash equivalents**

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Cash at bank and in hand	670,961	812,103	406,223	315,529
Less: bank overdrafts	(375,871)	(318,166)	-	-
	<u>295,090</u>	<u>493,937</u>	<u>406,223</u>	<u>315,529</u>

# LGH Europe Limited

## Notes to the Financial Statements For the Year Ended 30 April 2021

### 16. Creditors: Amounts falling due within one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Bank overdrafts	375,871	318,166	-	-
Bank loans	7,250,980	-	2,248,624	-
Trade creditors	772,890	804,858	-	-
Amounts owed to group undertakings	-	-	12,763	10,000
Amounts owed to related party undertakings	1,189,381	1,224,678	90,000	85,233
Corporation tax	8,390	3,981	-	-
Other taxation and social security	459,666	488,458	-	-
Obligations under finance lease and hire purchase contracts	164,921	151,410	-	-
Other creditors	234,690	71,851	100	100
Accruals and deferred income	804,341	637,373	-	-
	<b>11,261,130</b>	<b>3,700,775</b>	<b>2,351,487</b>	<b>95,333</b>

Amounts owed to group undertakings are repayable on demand.

The finance lease and hire purchase contracts are secured against the respective assets.

### 17. Creditors: Amounts falling due after more than one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Bank loans	47,644	7,245,695	-	2,245,695
Obligations under finance leases and hire purchase contracts	106,248	239,745	-	-
	<b>153,892</b>	<b>7,485,440</b>	<b>-</b>	<b>2,245,695</b>

The bank loans are secured by a company under common control.

The finance lease and hire purchase contracts are secured against the respective assets.

# **LGH Europe Limited**

## **Notes to the Financial Statements For the Year Ended 30 April 2021**

### **18. Loans**

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
<b>Amounts falling due within one year</b>				
Bank loans	7,250,980	-	2,248,624	-
<b>Amounts falling due 1-2 years</b>				
Bank loans	19,373	7,245,695	-	2,245,695
<b>Amounts falling due 2-5 years</b>				
Bank loans	28,271	-	-	-
	<u>7,298,624</u>	<u>7,245,695</u>	<u>2,248,624</u>	<u>2,245,695</u>

Bank loans of £50,000 were received through the Bounce Back Loan Scheme (BBLS). The BBLS is a government-backed guarantee against the outstanding balance of the facility (both capital and interest). The Group will always remain liable for the debt.

Bank loans of £7,248,624 are secured by a company under common control.

The Bank loan is repayable on 31 January 2022. At the time of signing, the facilities is in advance stage of renewal and the Directors expected it to be renewed shortly after signing. It is also expected to be renewed into a 3 year facility on the same terms.

### **19. Hire purchase and finance leases**

Minimum lease payments under hire purchase fall due as follows:

	Group 2021 £	Group 2020 £
Within one year	164,921	151,410
Between 1-5 years	106,248	239,745
	<u>271,169</u>	<u>391,155</u>

Obligations under finance leases and hire purchase contracts are secured on the assets to which they relate.

# **LGH Europe Limited**

## **Notes to the Financial Statements For the Year Ended 30 April 2021**

### **20. Deferred taxation**

#### **Group**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
At beginning of year	<b>(34,529)</b>	35,305
Charged to profit or loss	-	(55,022)
Charged to other comprehensive income	-	(15,817)
Currency translation differences	<b>29</b>	1,005
<b>At end of year</b>	<b>(34,500)</b>	<b>(34,529)</b>

The provision for deferred taxation is made up as follows:

	<b>Group</b>	<b>Group</b>
	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Accelerated capital allowances	<b>22,325</b>	22,325
Other short term timing differences	<b>(56,825)</b>	(56,854)
	<b>(34,500)</b>	<b>(34,529)</b>

### **21. Share capital**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Allotted, called up and fully paid</b>		
100,000 (2020 - 100,000) Ordinary shares of £1.00 each	<b>100,000</b>	100,000

Ordinary shares have attached full voting rights.

# LGH Europe Limited

## Notes to the Financial Statements For the Year Ended 30 April 2021

### 22. Reserves

The Group and Company's reserves are as follows:

#### Share capital

Called up share capital represents the nominal value of the shares issued.

#### Revaluation reserve

The revaluation reserve comprises the surplus or deficit arising on the revaluation of land and buildings.

#### Foreign exchange reserve

Comprises differences arising from the translation of financial statements of the Group's foreign operations into Sterling.

#### Profit and loss account

Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

### 23. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £199,756 (2020 - £206,174). Contributions totalling £43,700 (2020 - £55,247) were payable to the fund at the reporting date and are included in creditors.

### 24. Commitments under operating leases

At 30 April 2021 the Group had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2021 £	Group 2020 £
Not later than 1 year	570,921	517,171
Later than 1 year and not later than 5 years	796,759	331,147
	<u>1,367,680</u>	<u>848,318</u>

# LGH Europe Limited

## Notes to the Financial Statements For the Year Ended 30 April 2021

---

### 25. Related party transactions

The Company has taken advantage of the available exemption conferred by Section 33.1A of FRS102 not to disclose transactions with wholly owned members of the Group.

At 30 April 2021 the Group owed £70,207 (2020 - £185,568) from LGH USA, a related company under common control. During the year, sales totalling £Nil (2020 - £324,007) were made to LGH USA. The Group made purchases of £80,995 (2020 - £102,910) from LGH USA.

At 30 April 2020 the Group owed a net balance of £12,393 (2020 - £44,071) to Rotrex Group Limited, a related company under common control. During the year sales totalling £501,232 (2020 - £459,214) were made to Rotrex Group Limited. The Group made purchases of £96,213 (2020 - £64,889) from Rotrex Group Limited.

At 30 April 2020 the Group owed a net balance of £119,048 (2020 - £173,243) to Rotrex BV, a related company under common control. During the year sales totalling £111,112 (2020 - £35,394) were made to Rotrex BV. The Group made purchases of £100,890 (2020 - £90,781) from Rotrex BV.

At 30 April 2020 the Group was owed a net balance of £10,841 (2020 - £Nil) to Rotrex BVBA, a related company under common control. During the year sales totalling £67,669 (2020 - £Nil) were made to Rotrex BVBA. The Group made purchases of £67,668 (2020 - £Nil) from Rotrex BVBA.

At 30 April 2020 the Group had a net amount of £99,117 (2020 - £203,041) outstanding to Green Witch Investments Limited, a related company under common control. During the year sales totalling £114,695 (2020 - £83,344) were made to Green Witch Investments Limited. Green Witch Investments Limited raised management charges of £Nil (2020 - £26,339) for Director services during the year. During the year, the Group incurred costs of £180,005 (2020 - £Nil) and incurred interest of £17,630 from Green Witch Investments Limited.

At 30 April 2020 the Group owed £Nil (2020 - £Nil) to Sollertia Limited, a company controlled by A Mault, who is a common Director. During the year sales totalling £591 (2020 - £2,956) were made to Sollertia Limited. During the year, the Group incurred IT support costs of £57,129 (2020 - £103,464) from Sollertia Limited.

At 30 April 2020 the Group was owed £48,202 (2020 - £10,778) by Moorhouses Brewery Ltd Limited, a company controlled by I W Parkinson and W B Parkinson, who are both common Directors. During the year sales totalling £2,160 (2020 - £16,465) were made to Moorhouses Brewery Ltd. During the year, the Group incurred costs of £42,260 (2020 - £7,288) from Moorhouses Brewery Ltd.

At 30 April 2020 the Group was owed £12,837 (2020 - £675) by Koobs Design Ltd, a company controlled by I W Parkinson and W B Parkinson, who are both common Directors. During the year sales totalling £6,579 (2020 - £Nil) were made to Koobs Design Ltd. During the year, the Group incurred costs of £7,172 (2020 - £15,776) from Koobs Design Ltd.

#### Key management personnel remuneration

Key management personnel include all Directors of the Group who together have authority and responsibility for planning, directing and controlling the activities of the Group. Key management personnel remuneration is £347,185.

### 26. Controlling party

W B Parkinson is the controlling party by virtue of his controlling interest in LGH Europe Limited.

# **LGH Europe Limited**

## **Notes to the Financial Statements For the Year Ended 30 April 2021**

### **27. Analysis of net debt**

	At 1 May 2020 £	Cash flows £	New finance leases £	Other non- cash changes £	At 30 April 2021 £
Cash at bank and in hand	812,103	(149,599)	-	8,457	670,961
Bank overdrafts	(318,166)	(57,705)	-	-	(375,871)
Debt due after 1 year	(7,245,695)	(47,644)	-	7,245,695	(47,644)
Debt due within 1 year	-	(2,356)	-	(7,248,624)	(7,250,980)
Finance leases	(391,155)	143,712	(23,726)	-	(271,169)
	<u>(7,142,913)</u>	<u>(113,592)</u>	<u>(23,726)</u>	<u>5,528</u>	<u>(7,274,703)</u>

Non-cash movements relate to:

- £7,245,695 of bank loan debt has been reclassified as due within one year; and
- £11,386 of foreign exchange movement.