

Registration number: 05895588

Briggs Equipment UK Limited

Annual Report and Consolidated Financial Statements

for the Year Ended 31 December 2022



Briggs Equipment UK Limited

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Briggs Equipment UK Limited

Strategic Report for the Year Ended 31 December 2022

The directors present their report and the audited consolidated financial statements of the Group for the year ended 31 December 2022.

Principal activities

The principal activities of the Group are the sale, servicing and leasing of materials handling equipment, hire of plant and tools and other associated equipment.

Review of the business

2022 saw another strong year for the Group despite the worsening global economic outlook. Profit before tax for the year of £14,467,000 is a decrease on the record profit levels observed in 2021, £19,752,000, however still an overall positive performance. The main drivers for the decreased profit before tax were an increased interest expense of £3,302,000 and an increase in administrative expenses of £15,068,000. Gross profit margin remained static at 34%.

Overall revenues increased by 11% in 2022 to £356,082,000 (2021: £320,725,000). Operating profit decreased by £3,475,000 and return on turnover decreased from 7.6% to 5.9%.

The continued growth of the business together with reducing lead times, an upturn in customer orders and the Group targeting the replacement of ageing assets resulted in increased Group net debt of £58,335,000 compared to the previous year, exiting the year with a net debt of £262,154,000.

In 2022 the Group continued its acquisition strategy, further expanding its product offering and geographic penetration with several acquisitions in Great Britain and the Republic of Ireland.

Charitable donations

Charity continues to be a key element of the culture of the Group. During the year, the Group donated over £250,000 for both local and national charities.

Principal risks and uncertainties

Supply Chain Disruption

As global economies have re-opened after Covid lockdowns, equipment lead times within the global supply chain lengthened extensively. However, during the 2nd half of 2022 and into 2023 there has been a notable reduction in lead times and whilst still longer than pre-pandemic levels, the expectation is a return to more normalised lead times across the next 12 months.

Inflationary Pressures

The high levels of inflation compared to the recent past has resulted in ongoing cost increases across the Group as suppliers increase prices alongside business wide pay rises above normalised levels. However, there are indications this has now started to plateau. Base rate rises by the Bank of England have resulted in higher interest charges on the Group's borrowing facility. Accordingly the business has raised its prices where contractually able to do so, continues to actively review product pricing to ensure competitiveness and is continually monitoring its cost base.

War in Ukraine

The war in Ukraine has not directly impacted the Group outside of the wider global economic impacts associated with the conflict.

COVID 19 - Coronavirus Pandemic

Whilst no disruption was observed during 2022 relating to the pandemic the Board remains mindful that future disruption cannot be ruled out. Key measures used during the pandemic, such as the ability to work from home and the increased use of virtual meeting technology, remain at the Group's disposal, leaving the business well placed to react to any future pandemic challenges.

Briggs Equipment UK Limited

Strategic Report for the Year Ended 31 December 2022 (continued)

Principal risks and uncertainties (continued)

Brexit

In 2021, following the end of the transition period on 31 December 2020, the Group's supply chain was affected by the introduction of new customs rules on the movement of equipment and parts into and out of the UK and between Great Britain and Northern Ireland.

The Group has adapted its processes to minimise any adverse impact, for example increasing its spare part stockholding where expedient to do so. The Group also regularly engages with independent 3rd party advisers to ensure it is compliant with the legislative requirements of post-Brexit cross border movements.

Future developments

Our medium-term forecast indicates that we will see continued growth in revenues and earnings in 2023. Our parent company remains supportive and injected £38,450,036 of equity in 2022 for business growth and has injected a further £2,940,000 of equity in 2023 for the following acquisition.

On 14 February 2023, the Group completed the acquisition of 100% of the share capital of Neckar Forklifts Limited and Maxim GB Limited, both operating in the United Kingdom.

During 2023, the business continues to progress the implementation of a new IT platform as part of its Digital Transformation Program that will focus on delivering an improved customer offering, developing our people and improving the capital efficiency of our assets. The core element to this is the replacement of the Company and wider Group Enterprise Resource Planning (ERP) systems with one new operating system, IFS (Industrial and Financial Systems).

Financial risk management

The Group's operations expose it to a variety of financial risks which include foreign exchange risk, interest rate risk, liquidity risk and credit risk. The procedures implemented to effectively manage these risks are detailed below.

Foreign exchange risk

A proportion of the Group's equipment and parts purchases are denominated in Euros. In addition, certain transactions with other group companies are denominated in both US dollars and Euros. The Group actively monitors currency movements and, where appropriate, utilises derivatives to mitigate downside risk.

Interest rate risk

The Group's borrowings are subject to variable interest rates. The Group mitigates this risk by continual monitoring and entering into appropriate derivative hedge arrangements in line with its hedging policy.

Liquidity risk

Detailed cash flow forecasts are prepared to assess the Group's cash requirements. Funding is obtained principally through an Asset Backed Loan facility led by Wells Fargo. The Group proactively assesses and manages its cash requirements and its available facilities to ensure sufficient funds are available at all times.

Briggs Equipment UK Limited

Strategic Report for the Year Ended 31 December 2022 (continued)

Financial risk management (continued)

Credit risk

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 proactively monitored and is subject to a limit, which is regularly reassessed. The Board receives regular reports on amounts due and amounts significantly overdue and takes appropriate actions as required.

Key performance indicators ("KPIs")

The Group's strategy is one of growth combined with improved profitability and cash generation. The directors monitor progress against this strategy by reference to a number of KPIs.

Performance for the year, together with comparative data for the previous year, is set out in the table below:

KPI	2022	2021	Definition, method of calculation and analysis
Growth in turnover (%)	11.0%	20.7%	Year on year turnover growth expressed as a percentage. Turnover increased in the year as result of continued business growth both organically and through acquisition.
EBITDA return on turnover(%)	31	32	EBITDA return on turnover is the ratio of operating profit before amortisation and depreciation on ordinary activities expressed as a percentage of turnover. This ratio reduced marginally in the year primarily reflecting additional overhead costs required to administer the enlarged Group.
Working capital ("Quick") ratio	1	1	Working capital ratio of current assets to current liabilities. Inventory and debtor management was relatively stable during the year.

Briggs Equipment UK Limited

Strategic Report for the Year Ended 31 December 2022 (continued)

Statement of the directors in performance of their statutory duties in accordance with Section 172

The Board of Directors (the "Board") confirms it has performed its duties in respect of Section 172 of the Companies Act 2006. Specifically, the Board has considered the long-term factors affecting the Group and its strategic direction. The Board has engaged with the Group's stakeholders which assists the Board in its decision-making process and in fulfilling its duty to promote the success of the Group as set out in Section 172.

The Board has fulfilled its duties as follows:

On an ongoing basis, the Board assesses the major risks affecting the Group and develops appropriate responses to address those risks in an efficient and effective manner. This is taken into consideration when setting goals, budgets and forecasting financial performance. This ensures that the Group understands the financial impact of such risks and can respond to these on a timely basis.

Employees

Employees are key to our success. The Group engages with employees on a regular basis. Regular communications are issued and meetings held to cover a range of topics such as health and safety, financial performance, outlook and training opportunities. The Group monitors staff turnover to understand the reasons why staff have opted to pursue alternative career opportunities. The Group invests in employee training and development and has a successful apprenticeship programme.

Business relationships

We aim to exceed our customers' expectations, through regular communication and delivering high quality products and services to our customers. We continually seek to enhance our products and services to maintain our strong business relationships with our existing and potential customers.

Suppliers

All of our suppliers are integral to the success of the Group and we have regular ongoing dialogue with our supply chain.

Communities

The Group is committed to making a positive contribution to the local community and the environment. Charity is a key element of the culture of the Group, partnering with a national charity to raise funds each year but also continuing to be involved in more local projects. We also aim to reduce the Group's impact on the environment, for example, through carbon emission reductions, energy saving initiatives and waste reduction.

Shareholders

The Group is part of a wider group and maintains regular ongoing dialogue with its parent company.

Briggs Equipment UK Limited

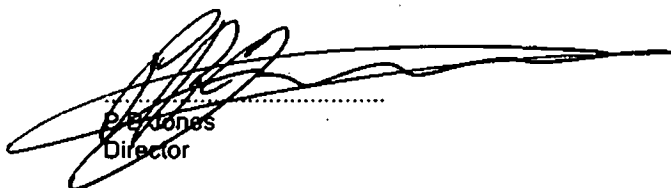
Strategic Report for the Year Ended 31 December 2022 (continued)

Statement of the directors in performance of their statutory duties in accordance with Section 172 (continued)

Regulators

The Board ensures the Company is in compliance with all regulatory requirements. In particular, ensuring compliance with health and safety regulations, the Modern Slavery Act and the Bribery Act. The Board also actively promotes high standards of ethical behaviour through a number of values which are continually communicated to employees and where appropriate shared with 3rd party stakeholders.

Approved and authorised by the Board on 10 May 2023 and signed on its behalf by:



P. E. Jones
Director

Briggs Equipment UK Limited

Directors' Report for the Year Ended 31 December 2022

The directors present their report and the for the year ended 31 December 2022.

Future developments

An indication of future developments of the business is included in the Strategic Report on page 2.

Share capital

As disclosed in note 22, the Company issued share capital of £38,450,036 (2021: £27,450,482) during the year.

Dividends

No dividends were paid in the year (2021: £nil).

Financial risk management

Details of financial risk management is included in the Strategic Report on page 2.

Directors of the Group

The directors who held office during the year and up to the date of signing the financial statements were as follows:

P B Jones

H L Kreager (Resigned 31 December 2022)

D Ash

Company secretary

The office of Company Secretary during the year and up to the date of signing the financial statements was fulfilled by:

I R Wilton

Y Brown

Directors' indemnities

The Group maintained throughout the year, and at the date of approval of the financial statements, liability insurance for its directors and officers. This is a qualifying provision for the purposes of the Companies Act 2006.

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Group continues and the appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee consultation

The Group maintains a policy of regular consultation and discussion with its employees by means of periodic employee surveys, meetings, newsletters and podcasts on a wide range of issues that are likely to affect their interests and ensures that all employees are aware of the financial and economic performance of their business units and of the Group as a whole.

Briggs Equipment UK Limited

Directors' Report for the Year Ended 31 December 2022 (continued)

Post balance sheet events

On 14 February 2023, the Group completed the acquisition of 100% of the share capital of Neckar Forklifts Limited and Maxim GB Limited, operating in the United Kingdom.

Going concern

The directors have adopted the going concern basis in preparing these financial statements (see note 3).

Branches outside the United Kingdom

The Group has operations in the Republic of Ireland.

Streamlined Energy and Carbon Reporting

The UK Government's Streamlined Energy and Carbon Reporting ("SECR") policy was implemented on 1 April 2019. The table below represents the Group's energy use and associated greenhouse gas ("GHG") emissions from electricity and fuel in the UK and the Republic of Ireland for the year ended 31 December 2022 and 31 December 2021 respectively. The data covers 60 (2021: 38) sites in the UK and Republic of Ireland.

Greenhouse gas emissions and energy use data for the years to 31 December 2022 and to 31 December 2021

UK and Republic of Ireland Energy consumption	2022	2021
Energy consumption used to calculate emissions (kWh)	28,318,693	26,057,870
Scope 1 emissions in metric tonnes CO₂e		
Purchased Gas	649	541
Other fuels	136	179
Group vehicles	4,299	4,205
Scope 2 emissions in metric tonnes CO₂e (location based)		
Purchased electricity	833	634
Scope 3 emissions in metric tonnes CO₂e		
Employee cars	96	16
Total gross emissions in metric tonnes CO₂e	6,013	5,575
Intensity ratio total tonnes CO₂e per employee	3	3

Methodology

The Group reports on energy consumption in the UK and associated GHG emissions in compliance with the SECR legislation for large unquoted companies. Additionally, energy consumption and associated GHG emissions from Group operations in Republic of Ireland are reported on a voluntary basis.

Briggs Equipment UK Limited

Directors' Report for the Year Ended 31 December 2022 (continued)

Streamlined Energy and Carbon Reporting (continued)

Scope

The scope includes solely UK and Republic of Ireland operations and all Group entities on a consolidated basis: Briggs Equipment UK Limited, Briggs Equipment Ireland Limited, Hitec Lift Trucks Limited, Hiremech Limited, Balloo Hire Centre Limited, Northern Forklifts (Scotland) Limited, Gwynedd Forklifts Limited, JB Plant Hire Limited, JB Plant Hire (Dungannon) Limited, Forkway Group Limited, Laois Hire Services Limited, Balloo Hire Limited, Aerial Platform Hire Limited, Access Plus (Scotland) Limited, Tainingplus.com Limited, Galway Plant and Tool Hire Limited and Blulift Limited. Reported energy consumption and associated carbon emissions include gas and electricity consumption in Group facilities in the UK and Republic of Ireland, as well as fuel consumption from transport. Transport includes Group leased cars, vans, lorries and business travel in employee-owned vehicles.

Period

The reported figures cover the period from 1 January 2022 to 31 December 2022, and the previous year in line with the financial reporting period.

Calculation methodology

The reporting methodology used is the GHG Protocol Corporate Accounting and Reporting Standard, using the operational control approach. Reported figures are based on actual data and estimates.

Electricity and gas consumption data comes from meter readings and invoices provided by energy suppliers. Where actual data is not available, estimates based on average consumption have been used. Company car and van data is collected via mileage. Business travel from employee-owned car data is based upon mileage claim records.

Emission factors used to calculate GHG emissions for the UK come from the UK Department of Business Energy and Industrial Strategy ("BEIS 2020") and from leasing contracts for leased cars and vans. Emission factors used to calculate GHG emissions for the Republic of Ireland come from the Sustainable Energy Authority of Ireland ("SEAI").

Scope 1 includes emissions associated with gas consumption and other fuel purchased by the Group. It also includes emissions associated with Group leased cars, vans and lorries. Refrigerant leakage is not material and excluded from Scope 1. Scope 2 includes emissions associated with electricity consumption and is calculated based on the location-based approach. Scope 3 includes emissions associated with business travel in employee-owned cars. The intensity ratio presented is calculated based on total tonnes CO₂e emissions divided by the average number of employees in the UK and Republic of Ireland in the reporting period.

The Group continues to invest in energy efficient lighting in its core facilities and the installation of a Vehicle Management System in all its commercial and employee vehicles. During 2021 the business began an initiative to plant trees for all trucks sold, to mitigate the impact its trucks have on CO₂ emissions. To date, 8,000 trees have been planted as part of this initiative.

Briggs Equipment UK Limited

Directors' Report for the Year Ended 31 December 2022 (continued)

Streamlined Energy and Carbon Reporting (continued)

Efficiency measures

To date the Group has carried out the following initiatives to increase energy efficiency:

- ongoing standardized air conditioning controls to maintain optimum conditions including at new property locations;
- optimised heating to maintain more efficient temperature to avoid overheating;
- formalised energy management monitoring and measuring through sole supplier for more accurate measurement at all Group depots;
- implement "follow you print" card access to reduce accidental over printing, reducing the number of printers required;
- use of recycled paper in all printers;
- continued phase out of vans with emissions ratings greater than 180gCO₂/km;
- ongoing use of vehicle telematics across car and van fleet, including an in-cab coaching system;
- GPS telematic tracking allowing more effective engineer dispatch, monitoring and journey measurement;
- ongoing uptake of full electric and plug in hybrid company vehicles; and
- continued its "plant a tree for every truck we sell" initiative.

Statement of directors' responsibilities in respect of the financial statements

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the 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 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 Group's and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company 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 Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Briggs Equipment UK Limited

Directors' Report for the Year Ended 31 December 2022 (continued)

Directors' confirmations

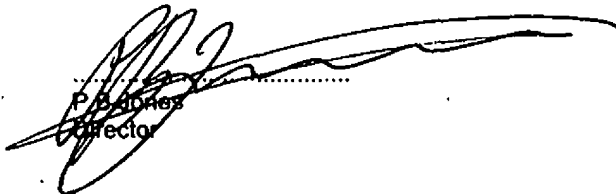
In the case of each director in office at the date the Directors' Report is approved:

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

Independent auditor

The auditor, Mazars LLP have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

Approved and authorised by the Board on 10 May 2023 and signed on its behalf by:



P. B. Jones
Director

Briggs Equipment UK Limited

Independent Auditor's Report to the Members of Briggs Equipment UK Limited

Opinion

We have audited the financial statements of Briggs Equipment UK Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2022, which comprise the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Cash Flows 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).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the parent Company's affairs as at 31 December 2022 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's 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 ability to continue as a going concern for a period of at least twelve months from when the original financial statements were 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.

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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Briggs Equipment UK Limited

Independent Auditor's Report to the Members of Briggs Equipment UK Limited (continued)

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where 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' Report, set out on page 9, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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.

Briggs Equipment UK Limited

Independent Auditor's Report to the Members of Briggs Equipment UK Limited (continued)

Based on our understanding of the company and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, anti-money laundering regulation and non-compliance with implementation of government support schemes relating to COVID-19.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as: tax legislation, pension legislation and the Companies Act 2006.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to, revenue recognition (which we pinpointed to the cut-off assertion), and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Briggs Equipment UK Limited

Independent Auditor's Report to the Members of Briggs Equipment UK Limited (continued)

Use of our report

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

Ian Holder

.....
Ian Holder (Senior Statutory Auditor)

For and on behalf of Mazars LLP, Chartered Accountants and Statutory Auditor

Two Chamberlain Square
Birmingham
B3 3AX

10 May 2023

Briggs Equipment UK Limited**Consolidated Statement of Comprehensive Income for the Year Ended 31 December 2022**

	Note	2022 £ 000	2021 £ 000
Turnover	5	356,082	320,725
Cost of sales		<u>(234,996)</u>	<u>(211,928)</u>
Gross profit		121,086	108,797
Distribution costs		(16,438)	(15,887)
Administrative expenses		(83,765)	(68,697)
Other operating income	6	<u>-</u>	<u>145</u>
Operating profit	7	<u>20,883</u>	<u>24,358</u>
Interest receivable and similar income	10	6	5
Interest payable and similar expenses	11	<u>(8,182)</u>	<u>(4,880)</u>
Net interest expense		(8,176)	(4,875)
Share of profit of associates		<u>1,760</u>	<u>269</u>
Profit before tax		14,467	19,752
Tax on profit	12	<u>3,015</u>	<u>(6,535)</u>
Profit for the financial year		<u><u>17,482</u></u>	<u><u>13,217</u></u>

The above results were derived from continuing operations.

Briggs Equipment UK Limited

Consolidated Statement of Comprehensive Income for the Year Ended 31 December 2022

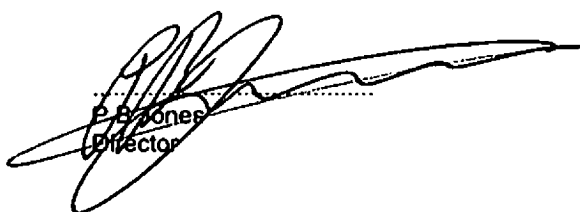
	2022	2021
	£ 000	£ 000
Profit for the year	17,482	13,217
Other comprehensive income	<u>2,973</u>	<u>(566)</u>
Total comprehensive income for the year	<u>20,455</u>	<u>12,651</u>

Other comprehensive income represents the effect of cumulative translation across the Group's foreign subsidiaries.

Briggs Equipment UK Limited**(Registration number: 05895588)****Consolidated Statement of Financial Position as at 31 December 2022**

	Note	2022 £ 000	2021 £ 000
Fixed assets			
Intangible assets	13	32,806	32,320
Tangible assets	14	439,113	356,095
Investments	15	11,279	9,519
		<u>483,198</u>	<u>397,934</u>
Current assets			
Inventories	16	41,537	19,156
Debtors	17	106,176	74,340
Cash at bank and in hand		15,967	8,928
		<u>163,680</u>	<u>102,424</u>
Creditors: Amounts falling due within one year	18	<u>(113,914)</u>	<u>(88,091)</u>
Net current assets		<u>49,766</u>	<u>14,333</u>
Total assets less current liabilities		532,964	412,267
Creditors: Amounts falling due after more than one year	18	(263,338)	(204,744)
Provisions for liabilities	20	<u>(11,905)</u>	<u>(8,708)</u>
Net assets		<u>257,721</u>	<u>198,815</u>
Capital and reserves			
Called-up share capital	22	181,301	142,850
Retained earnings		<u>76,420</u>	<u>55,965</u>
Total equity		<u>257,721</u>	<u>198,815</u>

Approved and authorised by the Board on 10 May 2023 and signed on its behalf by:



P. B. Jones
Director

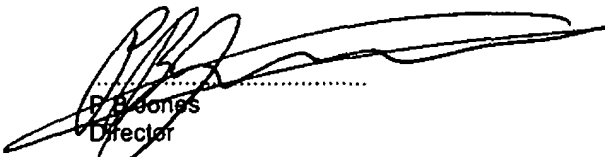
The notes on pages 22 to 60 form an integral part of these financial statements.

Briggs Equipment UK Limited**(Registration number: 05895588)****Company Statement of Financial Position as at 31 December 2022**

	Note	2022 £ 000	2021 £ 000
Fixed assets			
Intangible assets	13	725	1,979
Tangible assets	14	264,636	259,057
Investments	15	<u>118,600</u>	<u>75,857</u>
		<u>383,961</u>	<u>336,893</u>
Current assets			
Inventories	16	32,430	14,587
Debtors	17	118,469	84,076
Cash at bank and in hand		<u>1,029</u>	<u>2,137</u>
		151,928	100,800
Creditors: Amounts falling due within one year	18	<u>(69,721)</u>	<u>(59,311)</u>
Net current assets		<u>82,207</u>	<u>41,489</u>
Total assets less current liabilities		466,168	378,382
Creditors: Amounts falling due after more than one year	18	(204,995)	(174,085)
Provisions for liabilities	20	<u>(4,241)</u>	<u>(3,667)</u>
Net assets		<u>256,932</u>	<u>200,630</u>
Capital and reserves			
Called-up share capital	22	181,301	142,850
Retained earnings		<u>75,631</u>	<u>57,780</u>
Total equity		<u>256,932</u>	<u>200,630</u>

The Company profit for the year is £17,851,000 (2021: profit £12,223,000).

The financial statements on pages 22 to 60 were approved by the Board of Directors on 10 May 2023 and were signed on its behalf by:


P. Beones
Director

The notes on pages 22 to 60 form an integral part of these financial statements.

Briggs Equipment UK Limited

Consolidated Statement of Changes in Equity for the Year Ended 31 December 2022

	Called-up share capital £ 000	Retained earnings £ 000	Total equity £ 000
At 1 January 2021	115,400	43,314	158,714
Profit for the year	-	13,217	13,217
Other comprehensive income	-	(566)	(566)
Total comprehensive income	-	12,651	12,651
Issue of new share capital	27,450	-	27,450
At 31 December 2021	142,850	55,965	198,815

	Called-up share capital £ 000	Retained earnings £ 000	Total equity £ 000
At 1 January 2022	142,850	55,965	198,815
Profit for the year	-	17,482	17,482
Other comprehensive income	-	2,973	2,973
Total comprehensive income	-	20,455	20,455
Issue of new share capital	38,451	-	38,451
At 31 December 2022	181,301	76,420	257,721

The notes on pages 22 to 60 form an integral part of these financial statements.

Briggs Equipment UK Limited

Company Company Statement of Changes in Equity for the Year Ended 31 December 2022

	Share capital £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2021	115,400	45,557	160,957
Profit for the year	-	12,223	12,223
Issue of new share capital	27,450	-	27,450
At 31 December 2021	142,850	57,780	200,630

	Share capital £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2022	142,850	57,780	200,630
Profit for the year	-	17,851	17,851
Issue of new share capital	38,451	-	38,451
At 31 December 2022	181,301	75,631	256,932

Briggs Equipment UK Limited

Consolidated Statement of Cash Flows for the Year Ended 31 December 2022

	Note	2022 £ 000	2021 £ 000
Cash flows from operating activities			
Profit for the year		17,482	13,217
Adjustments to cash flows from non-cash items			
Other comprehensive income		2,973	(566)
Depreciation	14	82,689	73,148
Amortisation	13	5,567	4,847
(Profit)/loss on disposal of tangible assets		(507)	38
Profit on disposal of rental equipment		(1,239)	(1,595)
Interest receivable		(6)	(5)
Interest payable		8,182	4,880
Share of profit of associates		(1,760)	(269)
Income tax expense	12	(3,015)	6,535
		<u>110,366</u>	<u>100,230</u>
Working capital adjustments			
(Increase)/decrease in inventories	16	(20,773)	7,332
Increase in trade debtors	17	(23,400)	(1,249)
Increase/(decrease) in trade creditors	18	<u>20,883</u>	<u>(3,586)</u>
Cash generated from operations		87,076	102,727
Income taxes paid	12	<u>(5,779)</u>	<u>(5,439)</u>
Net cash flow from operating activities		<u>81,297</u>	<u>97,288</u>
Cash flows from investing activities			
Interest received		6	5
Acquisition of subsidiaries	15	(48,342)	(24,762)
Cash acquired on acquisition of subsidiaries		13,071	3,546
Deferred consideration		86	-
Acquisitions of tangible assets		(153,732)	(100,539)
Proceeds from sale of tangible assets		31,263	31,674
Acquisition of intangible assets	13	(38)	(392)
Acquisitions of investments in joint ventures and associates	15	<u>-</u>	<u>(9,250)</u>
Net cash flows from investing activities		<u>(157,686)</u>	<u>(99,718)</u>
Cash flows from financing activities			
Interest paid		(7,037)	(4,332)
Proceeds from issue of ordinary shares, net of issue costs		38,451	27,450
Repayment of inter-company loans with Parent		-	(14,044)
Receipt/(repayment) of asset backed borrowings		56,016	(4,709)
(Repayment)/receipt of other borrowing		<u>(4,002)</u>	<u>1,033</u>
Net cash flows from financing activities		<u>83,428</u>	<u>5,398</u>
Net increase in cash and cash equivalents		7,039	2,968
Cash and cash equivalents at 1 January		<u>8,928</u>	<u>5,960</u>
Cash and cash equivalents at 31 December		<u>15,967</u>	<u>8,928</u>

The notes on pages 22 to 60 form an integral part of these financial statements.

Briggs Equipment UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

1 General information

The principal activity of Briggs Equipment UK Limited ("the Company") is the sale, servicing and leasing of materials handling equipment and other associated equipment.

The general business model of the Company and "the Group" (defined as the parent company, Briggs Equipment UK Limited, and all of its wholly owned subsidiary undertakings) is to buy assets outright and then lease them onto customers under long term full maintenance agreements or short-term hire agreements. After completion of an asset's initial life within the Group (whether on long term or short term hire), the strategy is to "second life" the asset within the Group and to that end the Group has acquired a number of businesses that operate in segments (both geographic and market) that enable this objective to be fulfilled. The nature of this business model and its associated arrangements mean that assets are owned and controlled by the Group for the vast majority of their useful economic lives and that substantially all the risks and rewards of ownership of an asset generally reside with the Company or the Group, and consequently these arrangements are treated as operating leases.

The Company is a private company limited by share capital, incorporated in United Kingdom.

The address of its registered office is Orbital 7, Orbital Way, Cannock, Staffordshire, WS11 8XW

2 Statement of compliance

The financial statements of Briggs Equipment UK 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 financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value.

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's accounting policies. 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.

Briggs Equipment UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

3 Summary of significant accounting policies (continued)

Basis of consolidation

The Group financial statements incorporate the financial statements of the Company and its subsidiary undertakings. Intra Group sales and profits are fully eliminated on consolidation.

As a consolidated Group statement of comprehensive income is published, a separate statement for the Company is not presented with the Group financial statements, as permitted by section 408 of the Companies Act 2006.

Going concern

The Group meets its day to day working capital requirements through its available financing facilities. Whilst the current general economic conditions continue to create general economic uncertainty, the Group and Company are seeing increased demand for their services and products. In making their going concern assessment, the directors have prepared monthly cashflow forecasts and projections to 31 December 2026. After reviewing the Group and Company's forecasts and projections, even allowing for the impact of severe but plausible downside scenarios, the directors have a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the foreseeable future. The Group and Company therefore continue to adopt the going concern basis in preparing their financial statements.

Foreign currency transactions and balances

Functional and presentation currency

The Company's functional currency is pound sterling which is presented in the financial statements rounded to thousands.

Transactions and balances

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

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

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Translation

The trading results of Group undertakings are translated into sterling at the average exchange rates for the year. The assets and liabilities of overseas undertakings, including goodwill and fair value adjustments arising on acquisition, are translated at the exchange rates ruling at the year end. Exchange adjustments arising from the retranslation of opening net investments and from the translation of the profits or losses at average rates are recognised in other comprehensive income and allocated to non-controlling interests as appropriate.

Briggs Equipment UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

3 Summary of significant accounting policies (continued)

Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for goods and services sold, net of discounts, exchange rate differences, where sales are conducted in foreign currencies, and value added taxes.

The Group recognises revenue when (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the Group retains no continuing involvement or control over the goods and (c) when the specific criteria relating to each of the Group's sales channels have been met, as described below.

Sale of goods

The Group sells a range of equipment and parts, with revenue recognised during the period in which the product is delivered or when the significant risks and rewards of ownership of the goods have transferred to the buyer. Sale of goods is predominantly by credit or payment card.

Leasing

As explained in Note 1, the Company and the Group operate through leasing and rental arrangements that mean assets are owned and controlled by the Group for the vast majority of their useful economic lives and as such that substantially all the risks and rewards of ownership of an asset generally reside with the Company or the Group. Consequently, these arrangements are treated as operating leases. Revenue represents operating lease income for the hire of equipment on a long-term basis. Revenue is billed primarily monthly or quarterly in advance and is recognised in the month of hire and any advance is deferred until the period it relates to. Rental equipment is stated at cost less depreciation.

Sales of services

Sales of services revenue includes the following:

- Hire income for the rental of equipment on a short time basis. Revenue is recognised in the period in which short term hire is provided;
- Maintenance contract revenue where title to the rental asset resides with the Group, revenue is recognised on a straight-line basis over the anticipated period of the contract; and
- Engineering services revenue is primarily the repair and maintenance of customer owned equipment, and also the repair of Group owned equipment damaged on either a leasing or hire agreement where chargeable to the customer. Revenue is recognised in the period in which the engineering service is delivered.

Interest income

Interest income is recognised using the effective interest rate method.

Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

Exceptional items

The Group and Company classify certain one-off charges or credits that have a material impact on the Group and Company's financial results as exceptional items. These are disclosed separately to provide further understanding of the financial performance of the Group and Company. Examples of such items include significant one-off restructuring costs or costs resulting from the loss of a significant customer.

Briggs Equipment UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

3 Summary of significant accounting policies (continued)

Employee benefits

The Group provides a range of benefits to employees, including paid holiday arrangements and defined contribution pension plans.

Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the benefit is received.

Defined contribution pension plan

The Group operates a defined contribution pension plan for its employees. Contributions to the plan are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the Group and Company in separately administered funds.

Taxation

Taxation expense for the year comprises current and deferred tax recognised in the reporting year. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or as equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax

Current tax is the amount of corporation 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 year end.

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. 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

Business combinations are accounted for by applying the purchase method.

The cost of a business combination is the fair value of the consideration given, liabilities incurred or assumed and of equity instruments issued, plus the costs directly attributable to the business combination.

On acquisition of a business, fair values are attributed to the identifiable assets, liabilities and contingent liabilities unless the fair value cannot be measured reliably, in which case the value is incorporated in goodwill. Intangible assets are only recognised separately from goodwill where they are separable and arise from contractual or legal rights. Where the fair value of contingent liabilities cannot be reliably measured, they are disclosed on the same basis as other contingent liabilities.

Briggs Equipment UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

3 Summary of significant accounting policies (continued)

Business combinations and goodwill (continued)

Only goodwill has been recognised on all business combinations - no other intangible assets have been recognised within the Group.

Goodwill arises on business combinations and represents the excess of the fair value of directly attributable costs of the purchase consideration over the fair values of the identifiable net assets, liabilities and contingent liabilities acquired.

Goodwill is amortised over its expected useful life. Where it is not possible to make a reliable estimate of useful life, goodwill is amortised over a period not exceeding 10 years. Goodwill is assessed for impairment when there are indicators of impairment and any impairment is charged to the income statement. Reversals of impairment are recognised when the reasons for the impairment no longer apply.

Intangible assets

Intangible assets are stated at cost less accumulated amortisation. Amortisation is calculated, using the straight-line method, to allocate the depreciable amount of the assets to their residual values over their estimated useful lives, as follows:

Asset class	Amortisation method and rate
Software	Straight-line method (3 - 7 years)

Amortisation is included in 'administrative expenses' in the statement of total comprehensive income.

Where factors, such as technological advancement or changes in market price, indicate that residual value or useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances.

Assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

Costs associated with maintaining computer software are recognised as an expense as incurred. Development costs directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use it;
- it can be demonstrated how the software will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred.

Tangible assets

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price and costs directly attributable to bring the asset to its working condition for its intended use.

Land and buildings include freehold workshops and offices. Land and buildings are stated at cost less accumulated depreciation.

Briggs Equipment UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

3 Summary of significant accounting policies (continued)

Tangible assets (continued)

Leasehold improvements, plant and machinery, fixtures and fittings and computer hardware are stated at cost less accumulated depreciation.

Rental equipment is stated at cost less accumulated depreciation. Rental equipment is transferred into tangible assets from inventories at the inception of the associated rental contract and transferred back to inventories at the conclusion of the contract when the equipment is intended for disposal.

Cashflows arising from the acquisition and disposal of rental equipment are disclosed as investing activities within the cashflow statement.

Depreciation is calculated using the straight-line method to allocate cost to asset residual values over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Freehold buildings	Straight line (50 years)
Leasehold improvements	Straight line (Life of the lease)
Plant and machinery	Straight line (3-5 years)
Rental equipment	Straight line (3-10 years)
Fixtures and fittings	Straight line (5 years)
Computer hardware	Straight line (3-7 years)

Freehold land is not depreciated.

Asset 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.

Leased assets

Lessee

All lease contracts where the Group is a lessee are classified as operating leases.

Operating leases

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

Lease incentives

Incentives received to enter into an operating lease are credited to the statement of comprehensive income, to reduce the lease expense, on a straight-line basis over the period of the lease.

Lessor

As described in Note 1, all lease contracts where the Group is a lessor are classified as operating leases as disclosed in revenue recognition.

Briggs Equipment UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

3 Summary of significant accounting policies (continued)

Impairment of assets

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit ("CGU") to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGU's). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

Inventories

Inventories are stated at the lower of cost and fair value less costs to sell. For finished products and work in progress, cost consists of raw materials, direct personnel costs and other direct costs. Provision is made for obsolete or slow-moving items where appropriate.

Provisions and contingencies

Provisions are recognised when there is a legal or constructive obligation resulting from past events and it is probable that payment will be required to meet the obligation and that the amount can be calculated in a reliable manner. No provisions are made for future operating losses.

Repurchase commitments

Certain transactions between the Group and external financing companies can include a commitment from the Group to repurchase assets at the end of associated third party lease agreements. This repurchase liability is matched by an equivalent asset (the repurchased equipment) subject to the repurchase price not exceeding the realisable value of the associated asset. The repurchase commitment is recorded as a creditor in the balance sheet together with an equivalent asset recorded within debtors.

Financial Instruments

The Group has adopted Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing arrangement, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

Financial liabilities

Basic financial liabilities, including trade and other payables and loans from fellow group companies are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future repayments discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Briggs Equipment UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

3 Summary of significant accounting policies (continued)

Distributions to equity holders

Dividends to the Company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the Company's shareholders.

These amounts are recognised in the statement of changes in equity.

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

Group management and the Board of Directors make estimates and judgements about the future. These estimates and judgements impact recognised assets and liabilities, as well as revenue and expenses and other disclosures. These estimates and judgements are based on historical experience and on various assumptions considered reasonable under the prevailing conditions. The actual outcome may diverge from these estimates if other assumptions are made or other conditions arise. The estimates and judgements that may have a significant effect on the carrying amounts of assets and liabilities within the financial year are:

Briggs Equipment UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

4 Critical accounting judgements and estimation uncertainty (continued)

Critical judgements in applying the entity's accounting policies

(I) Leases

As explained in note 1, all customer leases are treated as operating leases. The Group retains the right to change assets during the course of a lease. The repair and maintenance requirements are at the risk of the Group and there is no right to purchase the asset from the Group at the end of the lease period. Any extensions to leases are solely at the Group's discretion and at rates proposed by the Group at the end of the lease.

The Group manages the disposal of assets and the impact of any loss or gain remains with the Group. In circumstances where the net present value of the minimum lease payments exceeds 90% of the fair value of the underlying asset at the inception of the lease, the Group examines the specific circumstances associated with the lease to ensure its treatment is correct.

There are some arrangements which exhibit certain characteristics of being finance leases, but in the opinion of the directors these are few in number and immaterial in value, so accounting for these as operating leases does not have a material impact on these financial statements. In making this assessment, the directors have assessed materiality in the context of this financial statement as equating to less than 2.0% of reported turnover.

(II) Tangible and intangible assets

Tangible and intangible assets are recognised at cost, less accumulated depreciation, amortisation and any impairments. Amortisation and depreciation take place over the estimated useful life, down to an assessed residual value. The carrying amount of the Group's fixed assets is tested as soon as changed conditions show that a potential need for impairment has arisen. Asset residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period.

(III) Acquisition goodwill

Goodwill is stated at cost less accumulated amortisation. Goodwill is amortised over its expected useful life. Where it is not possible to make a reliable estimate of useful life, goodwill is amortised over a period not exceeding 10 years. Goodwill is assessed for impairment when there are indicators of potential impairment and any impairment is charged to the income statement. Reversals of impairment are recognised when the reasons for the impairment no longer apply.

(IV) Impairment

The investment value of acquired businesses is evaluated at the point of acquisition to measure whether any separate intangible asset (e.g. trademarks) exists and to recognise the value in excess of net assets as goodwill. The value of any intangible assets recognised at acquisition is periodically reviewed for impairment purposes.

(V) Investment

Investments in subsidiary companies are held at cost less impairment. A judgement made by the directors in preparing these financial statements is in relation to their assessment that the carrying value of the investments is not impaired, and that the value in use expectation of future cash flows associated with investment assets is a sufficiently robust and reliable measure, particularly when individual investments are loss making. This judgement is underpinned by a commitment from the parent company to provide financial support to loss making businesses to cover any funding gaps howsoever they arise for at least the next 12 months.

Briggs Equipment UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

4 Critical accounting judgements and estimation uncertainty (continued)

Critical accounting estimates and assumptions

(I) Investment

On an ongoing basis the directors assess the carrying value of investments in subsidiaries for impairment. In assessing the recoverability of such amounts, and in calculating whether an impairment provision is required, the directors make assumptions regarding the future trading performance of the subsidiary entity. Such forecasts are subject to actual performance and in uncertain times, such as the COVID 19 pandemic, actual results and cashflows may be different to the directors' best estimate. The directors also consider the estimated recoverable amount of the subsidiary based on multiples of EBITDA. Such multiples are subject to changing industry trends and market demand.

(II) Inventory

The cost of inventory and associated provisioning are considered regularly. When calculating the inventory provision, management considers the nature and condition of the inventory, as well as applying assumptions around anticipated saleability and usage of finished goods and future usage of component parts.

(III) Dilapidation

Dilapidations costs are estimated based on the opinions and judgement of external professional advisors, to determine the work that would need to be undertaken on an individual property basis.

(IV) Depreciation

Depreciation is calculated using the straight-line method to allocate cost to an asset's residual value over its estimated useful life. Asset residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period.

(V) Impairment

The Group's management annually reviews the valuation model that supported the initial business investment to identify if an impairment exists. The model uses a combination of historical actual performance and forecasts to determine future expected cashflows.

Briggs Equipment UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

5 Turnover

The turnover and profit on ordinary activities before taxation are attributable to the principal activities of the Group being the sale, servicing and leasing of materials handling equipment, hire of plant and tools and other associated equipment. An analysis of turnover by geography and category is given below:

Analysis of turnover by geography:

	2022	2021
	£ 000	£ 000
Europe	22,739	23,347
Rest of world	48	65
	<u>22,787</u>	<u>23,412</u>
United Kingdom	<u>333,295</u>	<u>297,313</u>
	<u>356,082</u>	<u>320,725</u>

Analysis of turnover by category:

	2022	2021
	£ 000	£ 000
Sale of goods	89,649	83,892
Leasing	80,580	79,640
Services	<u>185,853</u>	<u>157,193</u>
	<u>356,082</u>	<u>320,725</u>

6 Other operating Income

The analysis of the Group's other operating income for the year is as follows:

	2022	2021
	£ 000	£ 000
Furlough contribution to wages and salaries	<u>-</u>	<u>145</u>

During 2021 the Group furloughed a small number of its employees for varying periods of time under the UK Government's Coronavirus Job Retention Scheme and under the Ireland Employee Wage Subsidy Scheme. Amounts received by the Group constitute a government grant and as of 31 December 2022, all conditions of both schemes have been met. The Group has recognised income of £nil (2021: £145,000) in respect of this grant.

Briggs Equipment UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

7 Operating profit

Arrived at after charging/(crediting)

	2022	2021
	£ 000	£ 000
Impairment of trade receivables	1,171	343
Impairment of inventory included in cost of sales	3,845	3,290
Amortisation of intangible assets	5,567	4,847
Depreciation of tangible assets	82,689	73,148
Property operating lease charges	3,775	2,927
Other operating lease charges	5,005	4,392
(Gain)/loss on disposal of tangible fixed assets	(507)	38
Foreign exchange gain	(1,006)	(756)
Dilapidations	500	2,772
Fees payable to the Company's auditors for the audit of the parent company and Group consolidated financial statements	<u>319</u>	<u>212</u>

The UK auditors for the year 2022 were Mazars LLP. No fees were paid to Mazars LLP in either year.

Briggs Equipment UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

8 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2022	2021
	£ 000	£ 000
Wages and salaries	74,121	62,513
Social security costs	7,319	5,938
Pension costs, defined contribution scheme	3,843	3,376
	<u>85,283</u>	<u>71,827</u>

The average number of persons employed by the Group (including directors) during the year, analysed by category was as follows:

	2022	2021
	No.	No.
Operational	799	826
Administration	857	635
Sales	254	158
	<u>1,910</u>	<u>1,619</u>

9 Directors' remuneration

The directors' remuneration for the year was as follows:

	2022	2021
	£ 000	£ 000
Aggregate emoluments	447	479
Aggregate amounts (excluding shares) receivable under long term incentive schemes	114	71
	<u>561</u>	<u>550</u>

In respect of the highest paid director:

	2022	2021
	£ 000	£ 000
Aggregate emoluments	447	479
Benefits under long-term incentive schemes (excluding shares)	114	71
	<u>561</u>	<u>550</u>

No directors (2021: £nil) receive shares under a long term incentive scheme.

Briggs Equipment UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

9 Directors' remuneration (continued)

Key management for the Group are the Executive Team which comprises the highest paid director together with the five other members of the senior leadership team. Their aggregate emoluments were as follows:

	2022	2021
	£ 000	£ 000
Aggregate emoluments	1,534	1,585
Aggregate amounts (excluding shares) receivable under long term incentive schemes	150	104
Group contributions to money purchase pension schemes	69	92
	<u>1,753</u>	<u>1,781</u>

10 Interest receivable and similar income

	2022	2021
	£ 000	£ 000
Interest income on bank deposits	<u>6</u>	<u>5</u>

11 Interest payable and similar expenses

	2022	2021
	£ 000	£ 000
Interest on other loans	8,173	4,694
Interest payable to group undertakings	<u>9</u>	<u>186</u>
Total interest expense on financial liabilities not measured at fair value through the statement of comprehensive income	<u>8,182</u>	<u>4,880</u>
Total interest payable and similar expense	<u>8,182</u>	<u>4,880</u>

Briggs Equipment UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

12 Taxation

(a) Tax charged/(credited) in the consolidated statement of comprehensive income

	2022 £ 000	2021 £ 000
Current taxation		
UK corporation tax	5,020	4,834
Adjustment in respect of prior periods	54	682
	<u>5,074</u>	<u>5,516</u>
Deferred taxation		
Origination and reversal of timing differences	(4,768)	599
Impact of rate change	-	823
Adjustments in respect of prior periods	(3,321)	(403)
Total deferred taxation	<u>(8,089)</u>	<u>1,019</u>
Tax (receipt)/expense in the income statement	<u>(3,015)</u>	<u>6,535</u>

(b) Reconciliation on tax charge

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2021 - higher) of 19% (2021 - 19%).

The differences are reconciled below:

	2022 £ 000	2021 £ 000
Profit before taxation	<u>14,467</u>	<u>19,752</u>
Tax expense at applicable rate	2,749	3,753
Expenses not deductible for tax purposes	1,956	1,088
Impact of rate change	-	823
Unrecognised deferred tax	176	216
Movement in adjustments to tax charge in respect of prior years	(3,267)	279
Other timing differences	(4,635)	263
Effect of overseas tax rates	6	113
Total tax (credit)/charge for the year	<u>(3,015)</u>	<u>6,535</u>

Briggs Equipment UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

13 Intangible assets

Group

	Goodwill £ 000	Software £ 000	Total £ 000
Cost			
At 1 January 2022	55,950	8,426	64,376
Additions	5	33	38
Acquisitions	5,783	307	6,090
Remeasured adjustment	(43)	-	(43)
Cumulative translation	-	2	2
At 31 December 2022	<u>61,695</u>	<u>8,768</u>	<u>70,463</u>
Amortisation			
At 1 January 2022	23,794	8,262	32,056
Charge for the year	5,494	73	5,567
Acquisitions	-	6	6
Cumulative translation	26	2	28
At 31 December 2022	<u>29,314</u>	<u>8,343</u>	<u>37,657</u>
Carrying amount			
At 31 December 2022	<u>32,381</u>	<u>425</u>	<u>32,806</u>
At 31 December 2021	<u>32,156</u>	<u>164</u>	<u>32,320</u>

Briggs Equipment UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

13 Intangible assets (continued)

Company

	Goodwill £ 000	Software £ 000	Total £ 000
Cost			
At 1 January 2022	17,419	8,398	25,817
Additions	-	32	32
At 31 December 2022	<u>17,419</u>	<u>8,430</u>	<u>25,849</u>
Amortisation			
At 1 January 2022	15,604	8,234	23,838
Charge for the year	1,214	72	1,286
At 31 December 2022	<u>16,818</u>	<u>8,306</u>	<u>25,124</u>
Carrying amount			
At 31 December 2022	<u>601</u>	<u>124</u>	<u>725</u>
At 31 December 2021	<u>1,815</u>	<u>164</u>	<u>1,979</u>

Briggs Equipment UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

14 Tangible assets

Group

	Freehold land and buildings £ 000	Leasehold improvements £ 000	Rental equipment £ 000	Plant and machinery £ 000	Fixtures and fittings £ 000	Computer hardware £ 000	Total £ 000
Cost							
At 1 January 2022	6,007	7,028	657,570	12,779	4,380	6,938	694,702
Additions	117	1,297	140,825	3,816	568	457	147,080
Reclassification	-	-	(30)	30	-	-	-
Transfers out	-	-	(78,004)	-	-	-	(78,004)
Disposals	(494)	-	(1,430)	(1,014)	(3)	(6)	(2,947)
Acquisitions	-	689	89,320	863	806	41	91,719
Cumulative translation	-	89	6,927	126	26	6	7,174
At 31 December 2022	<u>5,630</u>	<u>9,103</u>	<u>815,178</u>	<u>16,600</u>	<u>5,777</u>	<u>7,436</u>	<u>859,724</u>

Briggs Equipment UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

14 Tangible assets (continued)

	Freehold land and buildings £ 000	Leasehold improvements £ 000	Rental equipment £ 000	Plant and machinery £ 000	Fixtures and fittings £ 000	Computer hardware £ 000	Total £ 000
Depreciation							
At 1 January 2022	467	4,530	317,298	7,919	3,381	5,012	338,607
Charge for the year	134	225	79,288	1,838	420	784	82,689
Reclassification	-	-	(20)	20	-	-	-
Transfers out	-	-	(53,127)	-	-	-	(53,127)
Disposal	(138)	-	(1,199)	(613)	(2)	(6)	(1,958)
Acquisitions	-	167	49,358	590	662	31	50,808
Cumulative translation	-	32	3,454	73	29	4	3,592
At 31 December 2022	463	4,954	395,052	9,827	4,490	5,825	420,611
Carrying amount							
At 31 December 2022	5,167	4,149	420,126	6,773	1,287	1,611	439,113
At 31 December 2021	5,540	2,498	340,272	4,860	999	1,926	356,095

Briggs Equipment UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

14 Tangible assets (continued)

Rental equipment is leased to customers under operating lease agreements. The rental assets of the Group are pledged as security for the Group's borrowings and are apportioned between the secured asset backed facility and other borrowings.

Transfers out represent transfers of rental equipment to inventory at the end of an operating lease.

Fixed assets are included at full historical cost and depreciation to the Group upon acquisition.

The net book value of freehold land and buildings comprises:

	Group	
	2022	2021
	£ 000	£ 000
Freehold buildings	4,447	4,820
Freehold land	720	720
	<u>5,167</u>	<u>5,540</u>

The net book value of leasehold improvements comprises:

Group	2022	2021
	£ 000	£ 000
Long leasehold	2,787	2,385
Short leasehold	1,362	113
	<u>4,149</u>	<u>2,498</u>

Briggs Equipment UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

14 Tangible assets (continued)

Company

	Freehold land and buildings £ 000	Leasehold improvements £ 000	Rental equipment £ 000	Plant and machinery £ 000	Fixtures and fittings £ 000	Computer hardware £ 000	Total £ 000
Cost							
At 1 January 2022	4,399	3,565	519,721	3,116	3,194	6,246	540,241
Additions	4	-	75,376	1,715	196	343	77,634
Transfers out	-	-	(49,352)	-	-	-	(49,352)
Disposals	(494)	-	(1,392)	-	-	-	(1,886)
At 31 December 2022	<u>3,909</u>	<u>3,565</u>	<u>544,353</u>	<u>4,831</u>	<u>3,390</u>	<u>6,589</u>	<u>566,637</u>
Depreciation							
At 1 January 2022	434	3,243	268,046	2,509	2,507	4,445	281,184
Charge for the year	101	67	58,495	596	275	713	60,247
Disposal	(140)	-	(1,193)	-	-	-	(1,333)
Transfers out	-	-	(38,097)	-	-	-	(38,097)
At 31 December 2022	<u>395</u>	<u>3,310</u>	<u>287,251</u>	<u>3,105</u>	<u>2,782</u>	<u>5,158</u>	<u>302,001</u>
Carrying amount							
At 31 December 2022	<u>3,514</u>	<u>255</u>	<u>257,102</u>	<u>1,726</u>	<u>608</u>	<u>1,431</u>	<u>264,636</u>
At 31 December 2021	<u>3,965</u>	<u>322</u>	<u>251,675</u>	<u>607</u>	<u>687</u>	<u>1,801</u>	<u>259,057</u>

Briggs Equipment UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

14 Tangible assets (continued)

The net book value of freehold land and buildings comprises:

Company

	2022 £ 000	2021 £ 000
Freehold buildings	2,794	3,245
Freehold land	<u>720</u>	<u>720</u>
	<u>3,514</u>	<u>3,965</u>

The net book value of leasehold improvements comprises:

Company

	2022 £ 000	2021 £ 000
Long leasehold	245	309
Short leasehold	<u>10</u>	<u>13</u>
	<u>255</u>	<u>322</u>

15 Investments

Group

	2022 £ 000	2021 £ 000
At 1 January	9,519	-
Additions	-	9,250
Share of joint venture profit for the year	<u>1,760</u>	<u>269</u>
At 31 December	<u>11,279</u>	<u>9,519</u>
Comprising:		
AmeyBriggs Asset Holdings Limited (50%)	7,680	7,351
AmeyBriggs Services Holdings Limited (50%)	<u>3,599</u>	<u>2,168</u>
	<u>11,279</u>	<u>9,519</u>

Briggs Equipment UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

15 Investments (continued)

Company

	2022 £ 000	2021 £ 000
At 1 January	75,857	50,528
Additions	40,983	25,060
Share of joint venture profit for the year	1,760	269
At 31 December	<u>118,600</u>	<u>75,857</u>

Details of undertakings

The registered addresses of the companies the Briggs Equipment UK Group holds investments in is as follows:

Company	Registered office	Holding	Proportion of voting rights and shares held	
			2022	2021
Rosemount Holdings Limited	3 Wardpark Road, Wardpark South, Cumbernauld, Glasgow, G67 3JZ Scotland	Ordinary shares	100%	100%
Acces Plus (Scotland) Limited	3 Wardpark Road, Wardpark South, Cumbernauld, Glasgow, G67 3JZ Scotland	Ordinary shares	100%	100%
Trainingplus.com Limited	3 Wardpark Road, Wardpark South, Cumbernauld, Glasgow, G67 3JZ Scotland	Ordinary shares	100%	100%
AmeyBriggs Asset Holdings Limited	Chancery Exchange, 10 Fumival Street, London, EC4A 1AB United Kingdom	Ordinary shares	50%	50%
AmeyBriggs Service Holdings Limited	Chancery Exchange, 10 Fumival Street, London, EC4A 1AB United Kingdom	Ordinary shares	50%	50%
Forkway (Hire) Limited	Orbital 7, Orbital Way, Cannock, Staffordshire, WS11 8XW England	Ordinary shares	100%	100%
Nisshin Denshi Limited	Orbital 7, Orbital Way, Cannock, Staffordshire, WS11 8XW England	Ordinary shares	100%	100%

Briggs Equipment UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

15 Investments (continued)

Company	Registered office	Holding	Proportion of voting rights and shares held	
			2022	2021
Forkway Group Limited	Orbital 7, Orbital Way, Cannock, Staffordshire, WS11 8XW England	Ordinary shares	100%	100%
Forkway Limited	Orbital 7, Orbital Way, Cannock, Staffordshire, WS11 8XW England	Ordinary shares	100%	100%
Solent Forklift Trucks Limited	Orbital 7, Orbital Way, Cannock, Staffordshire, WS11 8XW England	Ordinary shares	100%	100%
J.B. Plant Hire Limited	31 Sydenham Road, Belfast, BT3 9DH Northern Ireland	Ordinary shares	100%	100%
J.B. Plant Hire (Dungannon) Limited	31 Sydenham Road, Belfast, BT3 9DH Northern Ireland	Ordinary shares	100%	100%
Gwynedd Forklifts Limited	Orbital 7, Orbital Way, Cannock, Staffordshire, WS11 8XW England	Ordinary shares	100%	100%
GFL Holdings Limited	Orbital 7, Orbital Way, Cannock, Staffordshire, WS11 8XW England	Ordinary shares	100%	100%
GFL Access Limited	Orbital 7, Orbital Way, Cannock, Staffordshire, WS11 8XW England	Ordinary shares	100%	100%
Northern Forklift (Scotland) Limited	Orbital 7, Orbital Way, Cannock, Staffordshire, WS11 8XW England	Ordinary shares	100%	100%
Baloo Hire Centre Limited	31 Sydenham Road, Belfast, BT3 9DH Northern Ireland	Ordinary shares	100%	100%
Hiremech Holdings Limited	Orbital 7, Orbital Way, Cannock, Staffordshire, WS11 8XW England	Ordinary shares	100%	100%

Briggs Equipment UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

15 Investments (continued)

Company	Registered office	Holding	Proportion of voting rights and shares held	
			2022	2021
Hiremech Limited	Orbital 7, Orbital Way, Cannock, Staffordshire, WS11 8XW England	Ordinary shares	100%	100%
Hitec Lift Trucks Limited	Orbital 7, Orbital Way, Cannock, Staffordshire, WS11 8XW England	Ordinary shares	100%	100%
BE Finance Limited	Orbital 7, Orbital Way, Cannock, Staffordshire, WS11 8XW England	Ordinary shares	100%	100%
Briggs Equipment Ireland Limited	Ireland is Unit 1, Crosslands Business Park, Ballymount Road Lower, Dublin 12, D12 C791 Ireland	Ordinary shares	100%	100%
Baloo Hire Limited	Unit 1, Crosslands Business Park, Ballymount Road Lower, Dublin 12, D12 C791 Ireland	Ordinary shares	100%	100%
Laois Hire Services Limited	Unit 1, Crosslands Business Park, Ballymount Road Lower, Dublin 12, D12 C791 Ireland	Ordinary shares	100%	100%
Bannagroe Limited	Unit 1, Crosslands Business Park, Ballymount Road Lower, Dublin 12, D12 C791 Ireland	Ordinary shares	100%	100%
Aerial Platforms Limited	Unit 1, Crosslands Business Park, Ballymount Road Lower, Dublin 12, D12 C791 Ireland	Ordinary shares	100%	100%
Galway Plant and Tool Hire Limited	Unit 1, Crosslands Business Park, Ballymount Road Lower, Dublin 12, D12 C791 Ireland	Ordinary shares	100%	100%
Blulift Limited	Unit 1, Crosslands Business Park, Ballymount Road Lower, Dublin 12, D12 C791 Ireland	Ordinary shares	100%	100%

Briggs Equipment UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

15 Investments (continued)

All subsidiaries trade in the same sector as the parent company except for Balloo Hire Centre Limited, J.B. Plant Hire Limited, J.B. Plant Hire (Dungannon) Limited, Loais Hire Services Limited, Aerial Platforms Limited, Access Plus (Scotland) Limited, Trainingplus.com Limited, Galway Plant and Tool Hire Limited and Blulift Limited, which trade within the hire of plant and tools sector to both the commercial and domestic market.

The Company, in its role as parent company to the Group, has provided a statutory guarantee to certain subsidiaries for all outstanding liabilities at 31 December 2022. This enables them to take advantage of the exemption from obtaining a signed statutory audit opinion under section 479A of the Companies Act 2006.

For the year ending 31 December 2022 the following subsidiaries were provided with a statutory guarantee:

Company	Registered Number
Rosemount Holdings Limited	SC503359
Access Plus (Scotland) Limited	SC191434
Trainingplus.com Limited	SC418083
Forkway (Hire) Limited	00881394
Nisshin Denshi Limited	02123712
Forkway Group Limited	03117958
Forkway Limited	00788654
Solent Forklift Trucks Limited	02320695
JB Plant Hire Limited	NI025520
JB Plant Hire (Dungannon)	NI025521
Gwynedd Forklifts Limited	03614948
GFL Holdings Limited	09881784
GFL Access Limited	09758061
Northern Forklift (Scotland) Limited	03911775
Balloo Hire Centre Limited	NI020540
Hiremech Holdings Limited	04483665
Hiremech Limited	03639237
Hitec Lift Trucks Limited	04293356

Briggs Equipment UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

16 Inventories

	Group		Company	
	2022	2021	2022	2021
	£ 000	£ 000	£ 000	£ 000
Service work in progress	2,204	1,982	2,153	1,749
Finished goods and goods for resale	39,333	17,174	30,277	12,838
	<u>41,537</u>	<u>19,156</u>	<u>32,430</u>	<u>14,587</u>

The amount of impairment loss included in comprehensive income of the Group is £3,845,000 (2021: £3,290,000), Company £2,867,000 (2021: £2,195,000).

17 Debtors

		Group		Company	
		2022	2021	2022	2021
	Note	£ 000	£ 000	£ 000	£ 000
Current					
Trade debtors		77,448	62,829	52,091	43,038
Amounts owed by related parties		-	-	44,238	31,089
Other debtors		11,691	7,547	9,866	6,654
Prepayments		4,288	3,047	3,168	2,438
Deferred tax assets	21	-	64	-	64
		<u>93,427</u>	<u>73,487</u>	<u>109,363</u>	<u>83,283</u>

Trade debtors are stated after provisions for impairment of Group £2,478,000 (2021: £1,659,000), Company £598,000 (2021: £505,000).

Amounts owed by Group undertakings are unsecured, interest free and payable on demand.

		Group		Company	
		2022	2021	2022	2021
	Note	£ 000	£ 000	£ 000	£ 000
Non-current					
Other debtors		3,741	187	143	187
Deferred tax assets	21	9,008	666	8,963	606
		<u>12,749</u>	<u>853</u>	<u>9,106</u>	<u>793</u>

Other debtors relate to the repurchase value of equipment which is the subject of repurchase commitments given by the Group.

Total debtors		<u>106,176</u>	<u>74,340</u>	<u>118,469</u>	<u>84,076</u>
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Briggs Equipment UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

18 Creditors

	Group		Company	
	2022	2021	2022	2021
	£ 000	£ 000	£ 000	£ 000
Due within one year				
Trade creditors	55,669	37,148	40,130	23,701
Social security and other taxes	5,548	9,093	2,758	6,556
Other borrowings	18,524	8,190	879	283
Accruals	34,173	33,660	25,954	28,771
	<u>113,914</u>	<u>88,091</u>	<u>69,721</u>	<u>59,311</u>
Due between one and five years				
Other borrowings	12,442	13,951	1,069	461
Asset backed borrowings	246,648	189,784	203,926	173,437
Accruals & deferred income	3,741	187	-	187
	<u>262,831</u>	<u>203,922</u>	<u>204,995</u>	<u>174,085</u>
Due after more than five years				
Other borrowings	507	822	-	-
	<u>263,338</u>	<u>204,744</u>	<u>204,995</u>	<u>174,085</u>

Accruals and deferred income relate to the Group's repurchase of assets funded through third party finance houses. The Group is not legally obliged to settle finances on some assets, however as the Group generally settles these obligations in most circumstances, an appropriate obligation has been recognised.

Briggs Equipment UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

19 Loans and borrowings

	Group		Company	
	2022	2021	2022	2021
	£ 000	£ 000	£ 000	£ 000
Other borrowings	31,473	22,963	1,948	744
Asset backed borrowings	246,648	189,784	203,926	173,437
	<u>278,121</u>	<u>212,747</u>	<u>205,874</u>	<u>174,181</u>

Asset backed borrowings of £246,648,000 (2021: £189,784,000) represent amounts drawn under the Group's secured credit facility, net of unamortised issue costs of £1,144,000 (2021: £1,728,000). The debt is subject to covenants based on Group EBITDA in relation to the level of borrowing and headroom. The facility, which was entered into in December 2019, expires in December 2024 and has an effective interest rate of 1.93% plus SONIA/ 1.90% plus EURIBOR. The borrowings are secured by an all asset debenture.

Other borrowings of £31,473,000 (2021: £22,963,000) represent amounts due under a sale and leaseback transaction secured on certain of the Group's rental fleet assets and a segregated cash balance which has been accounted for as secured debt (2022: £1,113,000 (2021: £744,000)), along with hire purchase agreements in place at Briggs Equipment Ireland Limited, Hiremech Limited, Balloo Hire Centre Limited, Northern Forklift (Scotland) Limited, Gwynedd Forklifts Limited, Forkway Limited, Aerial Platform Hire Limited, Access Plus (Scotland) Limited, Galway Plant and Tool Hire Limited and Blulift Limited (2022: £31,227,000 (2021: £22,219,000)).

20 Provisions for liabilities

Group	Restructuring	Dilapidations	Deferred tax	Total
	£ 000	£ 000	£ 000	£ 000
At 1 January 2022	-	3,940	4,768	8,708
Charge for the year	74	500	150	724
Acquired balances	-	-	2,473	2,473
At 31 December 2022	<u>74</u>	<u>4,440</u>	<u>7,391</u>	<u>11,905</u>

Dilapidation provisions relate to property leases that contain a repairing obligation. The cost is charged to the statement of comprehensive income as the obligation arises.

Dilapidation provisions relate to multiple properties and have been calculated either through independent review of existing defects, reinstatement work which might legitimately be required under a schedule of dilapidations on the termination of a lease or using estimated values on the square foot profile of properties where an independent review has not taken place.

At the end of 2022, £74,000 was provided in relation to redundancy costs following some restructuring activities.

Briggs Equipment UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

20 Provisions for liabilities (continued)

The net deferred tax liability is due to the impact of timing differences arising from the application of capital allowances on tangible fixed assets.

Company

	Restructuring £ 000	Dilapidations £ 000	Total £ 000
At 1 January 2022	-	3,667	3,667
Charge for the year	74	500	574
At 31 December 2022	74	4,167	4,241

Dilapidation provisions relate to property leases that contain a repairing obligation. The cost is charged to the statement of comprehensive income as the obligation arises.

Dilapidation provisions relate to multiple properties and have been calculated either through independent review of existing defects, reinstatement work which might legitimately be required under a schedule of dilapidations on the termination of a lease or using estimated values on the square foot profile of properties where an independent review has not taken place.

At the end of 2022, £74,000 was provided in relation to redundancy costs following some restructuring activities.

21 Deferred tax

Group

Deferred tax consists of the following deferred tax assets:

	2022 £ 000	2021 £ 000
Accelerated capital allowances	8,983	705
Other timing differences	25	25
Total deferred tax - asset	9,008	730

	2022 £ 000	2021 £ 000
As at 1 January 2022	730	288
Recognised in the statement of comprehensive income	8,239	442
Acquisitions	39	-
As at 31 December 2022	9,008	730

Deferred tax consists of the following deferred tax liabilities:

Briggs Equipment UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

21 Deferred tax (continued)

	2022 £ 000	2021 £ 000
Accelerated capital allowances	7,394	4,768
Other timing differences	(3)	-
Total deferred tax - liability	<u>7,391</u>	<u>4,768</u>
	2022 £ 000	2021 £ 000
As at 1 January 2022	4,768	2,541
Acquisitions	2,473	766
Recognised in the statement of comprehensive income	<u>150</u>	<u>1,461</u>
As at 31 December 2022	<u>7,391</u>	<u>4,768</u>

There are no unused tax losses or unused tax credits.

The deferred tax liability primarily relates to the reversal of timing differences on acquired intangible and tangible assets and capital allowances through depreciation and amortisation, offset by expected tax deductions when payments are made to utilise provisions.

Company

Deferred tax consists of the following deferred tax assets:

	2022 £ 000	2021 £ 000
Accelerated capital allowances	8,938	645
Other timing differences	<u>25</u>	<u>25</u>
Total deferred tax - asset	<u>8,963</u>	<u>670</u>
	2022 £ 000	2021 £ 000
As at 1 January 2022	670	272
Recognised in the statement of comprehensive income	<u>8,293</u>	<u>398</u>
As at 31 December 2022	<u>8,963</u>	<u>670</u>

There are no unused tax losses or unused tax credits.

The deferred tax liability primarily relates to the reversal of timing differences on acquired intangible and tangible assets and capital allowances through depreciation and amortisation, offset by expected tax deductions when payments are made to utilise provisions.

Briggs Equipment UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

22 Called-up share capital

Allotted, called up and fully paid shares

	2022		2021	
	No. 000	£ 000	No. 000	£ 000
Ordinary shares of £1 each	<u>181,301</u>	<u>181,301</u>	<u>142,850</u>	<u>142,850</u>

During the year 38,450,036 ordinary shares having an aggregate nominal value of £38,450,036 were allotted for an aggregate consideration of £38,450,036.

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends or the repayment of capital.

A total of 10,500,000 new shares were allotted at par on 30 April 2022 for a cash consideration of £10,500,000; the proceeds being used to fund the investment in Access Plus (Scotland) Limited, Trainingplus.com Limited and Rosemount Holdings Limited.

A total of 27,950,036 new shares were allotted at par on 26 August 2022 for a cash consideration of £27,950,036; the proceeds being invested to the Briggs Equipment Ireland Limited subsidiary to fund its acquisition of Galway Plant and Tool Hire Limited.

All shares were issued to the Company's immediate parent company.

23 Analysis of changes in net debt

Group

	At 1 January 2022 £ 000	Financing cash flows £ 000	Other non-cash changes £ 000	At 31 December 2022 £ 000
Cash and cash equivalents				
Cash	8,928	7,039	-	15,967
Asset backed borrowings	(189,784)	(56,016)	(848)	(246,648)
Other borrowings	<u>(22,963)</u>	<u>4,002</u>	<u>(12,512)</u>	<u>(31,473)</u>
	<u>(203,819)</u>	<u>(44,975)</u>	<u>(13,360)</u>	<u>(262,154)</u>
Net debt	<u>(203,819)</u>	<u>(44,975)</u>	<u>(13,360)</u>	<u>(262,154)</u>

Other borrowings includes non-cash changes during the year of £12,000,000 relating to debt undertaken as part of the acquisitions detailed in note 28.

Briggs Equipment UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

24 Financial instruments

The Group and Company has the following financial instruments:

	Group		Company	
	2022	2021	2022	2021
	£ 000	£ 000	£ 000	£ 000
Financial assets:				
Trade debtors	77,448	62,829	52,091	43,038
Amounts owed by related parties	-	-	44,238	31,089
Other debtors	15,432	7,734	10,009	6,841
	<u>92,880</u>	<u>70,563</u>	<u>106,338</u>	<u>80,968</u>
Financial liabilities				
Other borrowings	31,473	22,963	1,948	744
Asset backed borrowings	246,648	189,784	203,926	173,437
Trade payables	55,669	37,148	40,130	23,701
	<u>333,790</u>	<u>249,895</u>	<u>246,004</u>	<u>197,882</u>

25 Derivative financial instruments

The Group entered into a number of interest rate hedges to mitigate the risk of changes to interest rates.

The first contract commenced on 30 April 2021 and expires on 11 April 2023. At 31 December 2022, the notional amount hedged was £45,000,000 with a market value of (£97,463).

The second contract commenced on 4 March 2022 and expires on 31 December 2023. At 31 December 2022, the notional amount hedged was £134,984,000 with a market value of £219,991.

Briggs Equipment UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

26 Capital and other commitments

At 31 December the Group and Company had the following capital commitments:

	Group		Company	
	2022	2021	2022	2021
	£ 000	£ 000	£ 000	£ 000
Contracts for future capital expenditure not provided in the financial statements – property, plant and equipment	121,612	100,394	98,077	88,798
	<u>121,612</u>	<u>100,394</u>	<u>98,077</u>	<u>88,798</u>

The Group and Company had the following future minimum lease payments payable under non-cancellable operating leases for each of the following periods:

	Group		Company	
	2022	2021	2022	2021
	£ 000	£ 000	£ 000	£ 000
Not later than one year	5,620	5,094	3,521	3,929
Later than one year and not later than five years	12,042	11,014	8,273	8,324
Later than five years	8,045	12,669	6,627	12,051
	<u>25,707</u>	<u>28,777</u>	<u>18,421</u>	<u>24,304</u>

27 Leasing agreements

The Group and Company had the following future minimum lease receivables under non-cancellable operating leases for each of the following periods:

	Group		Company	
	2022	2021	2022	2021
	£ 000	£ 000	£ 000	£ 000
Not later than one year	90,561	94,176	84,561	89,019
Later than one year and not later than five years	176,065	177,176	163,976	166,392
Later than five years	14,241	14,667	13,999	14,059
	<u>280,867</u>	<u>286,019</u>	<u>262,536</u>	<u>269,470</u>

Briggs Equipment UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

28 Acquisitions

On the 4 April 2022, Briggs Equipment Ireland Limited (a subsidiary of the Company) acquired 100% of the share capital of Aerial Platforms Limited, a company located in the Republic of Ireland.

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition along with their associated fair values.

	Book value £ 000	Fair value adjustments £ 000	Fair value £ 000
Tangible assets	1,052	1,581	2,633
Current assets:			
Stocks	129	-	129
Debtors	525	-	525
Cash	1,636	-	1,636
Total assets	3,342	1,581	4,923
Creditors: amounts falling due within one year	(191)	(23)	(214)
Creditors: amounts falling due after one year	(376)	-	(376)
Net assets acquired	2,775	1,558	4,333
Goodwill			818
Total consideration			5,151
Of which cash			5,151

Fair value adjustments in respect of all asset classes relate to the alignment to Group policy.

The total cash consideration includes directly attributable expenses of £201,000.

For the nine months ended 31 December 2022, Aerial Platforms Limited contributed revenue of £3,629,000 and a profit before tax of £476,000 to the Group's results.

Briggs Equipment UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

28 Acquisitions (continued)

On the 15 May 2022, Briggs Equipment UK Limited acquired 100% of the share capital of Rosemount Holdings Limited, a company located in the United Kingdom. Both Access Plus (Scotland) Limited and Trainingplus.com Limited are 100% wholly owned by Rosemount Holdings Limited, both companies located in the United Kingdom.

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition along with their associated fair values.

	Book value £ 000	Fair value adjustments £ 000	Fair value £ 000
Tangible assets	7,796	(1,046)	6,750
Current assets:			
Stocks	60	-	60
Debtors	3,675	-	3,675
Cash	1,698	-	1,698
Total assets	13,229	(1,046)	12,183
Creditors: amounts falling due within one year	(1,600)	-	(1,600)
Creditors: amounts falling due after one year	(2,625)	-	(2,625)
Net assets acquired	9,004	(1,046)	7,958
Goodwill			5,801
Total consideration			13,759
Of which cash			13,259
Of which deferred consideration			500

Fair value adjustments in respect of all asset classes relate to the alignment to Group policy.

The total cash consideration includes directly attributable expenses of £370,000.

For the eight months ended 31 December 2022, Rosemount Holdings Limited contributed revenue of £nil and a profit before tax of £32,000 to the Group's results.

For the eight months ended 31 December 2022, Access Plus (Scotland) Limited (a wholly owned subsidiary of Rosemount Holdings Limited) contributed revenue of £3,780,000 and a profit before tax of £875,000 to the Group's results.

For the eight months ended 31 December 2022, Trainingplus.com Limited (a wholly owned subsidiary of Rosemount Holdings Limited) contributed revenue of £900,000 and a profit before tax of £263,000 to the Group's results.

Briggs Equipment UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

28 Acquisitions (continued)

On the 2 September 2022, Briggs Equipment Ireland Limited (a subsidiary of the Company) acquired 100% of the share capital of Galway Plant and Tool Hire Limited, a company located in the Republic of Ireland.

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition along with their associated fair values.

	Book value £ 000	Fair value adjustments £ 000	Fair value £ 000
Tangible assets	31,181	(1,149)	30,032
Current assets:			
Stocks	57	-	57
Debtors	4,075	(72)	4,003
Cash	9,630	-	9,630
Total assets	44,943	(1,221)	43,722
Creditors: amounts falling due within one year	(3,904)	(126)	(4,030)
Creditors: amounts falling due after one year	(10,543)	-	(10,543)
Net assets acquired	30,496	(1,347)	29,149
Goodwill			(1,268)
Total consideration			27,881
Of which cash			27,881

Fair value adjustments in respect of all asset classes relate to the alignment to Group policy.

The total cash consideration includes directly attributable expenses of £697,000.

For the four months ended 31 December 2022, Galway Plant and Tool Hire Limited contributed revenue of £6,075,000 and a profit before tax of £959,000 to the Group's results.

Briggs Equipment UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

28 Acquisitions (continued)

On the 8 December 2022, Briggs Equipment Ireland Limited (a subsidiary of the Company) acquired 100% of the share capital of Blulift Limited, a company located in the Republic of Ireland.

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition along with their associated fair values.

	Book value £ 000	Fair value adjustments £ 000	Fair value £ 000
Tangible assets	1,987	(190)	1,797
Current assets:			
Stocks	79	-	79
Debtors	233	-	233
Cash	106	-	106
Total assets	2,405	(190)	2,215
Creditors: amounts falling due within one year	(235)	-	(235)
Creditors: amounts falling due after one year	(860)	-	(860)
Net assets acquired	1,310	(190)	1,120
Goodwill			432
Total consideration			1,552
Of which cash			1,466
Of which deferred consideration			86

Fair value adjustments in respect of all asset classes relate to the alignment to Group policy.

The total cash consideration includes directly attributable expenses of £69,000.

For the one month ended 31 December 2022, Blulift Limited contributed revenue of £59,000 and a loss before tax of £64,000 to the Group's results.

Briggs Equipment UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

29 Related party transactions

The Group has taken advantage of the exemption contained within FRS 102 and not disclosed transactions or balances with companies that are fellow wholly owned subsidiaries of Sammons Enterprises Inc.

In 2022 the Group performed the following transactions with its two AmeyBriggs joint venture associates, in both of which the Group holds a 50% shareholding:

	2022	2021
	£ 000	£ 000
Sale of assets to AmeyBriggs Asset Holdings Limited	-	22,169
Other charges to AmeyBriggs Asset Holdings Limited	972	1,907
Other charges to AmeyBriggs Service Holdings Limited	263	176
	1,235	24,252

30 Controlling parties

The Company's immediate parent undertaking is Briggs UK Holdings Inc., incorporated in the United States of America.

The ultimate parent undertaking, controlling party, smallest and largest group to consolidate these financial statements is Sammons Enterprises Inc., a Company incorporated in the United States of America and whose accounts are not publicly available.

31 Post balance sheet events

On 14 February 2023, the Group completed the acquisition of 100% of the share capital of Neckar Forklifts Limited and Maxim GB Limited, operating in the United Kingdom.