

Company Registration No. 00467731 (England and Wales)

CHIPPINDALE PLANT LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020

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CHIPPINDALE PLANT LIMITED

COMPANY INFORMATION

Directors	N P Chippindale P G Chippindale A C Atack
Secretary	P G Chippindale
Company number	00467731
Registered office	Prima House Ring Road Lower Wortley Leeds LS12 5PX
Auditors	Buckle Barton Limited Sanderson House Station Road Horsforth Leeds LS18 5NT

CHIPPINDALE PLANT LIMITED

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CHIPPINDALE PLANT LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 APRIL 2020

The directors present the strategic report for the year ended 30 April 2020.

Fair review of the business

The financial year end results have to be taken in context with events outside the control of the business. This started with a backdrop of Brexit uncertainty, followed by a period of political mayhem, a general election, and finally a lockdown of the economy. The construction industry weathered the storm of uncertainty in 2019 and had cause for optimism following the general election, however the pandemic has changed all that and clearly has had the greatest impact on our final results.

Looking at the headline figures, it is no surprise that turnover decreased by 18%, as our March and April Hire figures were down by 20% and 65% respectively. The biggest impact, though, was on capital equipment sales. Had business continued at pre lockdown levels we would have expected similar results to the previous year.

What does give us a level of confidence is that our % gross profit has increased even though our operating profit and profit before tax margins slightly suffered as the grant income received didn't cover our true costs during the lockdown in March and April.

It was our strategy for the year to focus on our cost base and tackle rising costs. This focus became even more important and I am pleased to say that we have made good progress, and this is reflected in the detailed figures.

During the year we incrementally invested in products which offered stronger hire rates and a better rate of return. We also instigated a program to dispose of older, higher maintenance machines, which had been putting pressure on our cost base. Due to the lockdown the disposal of a large raft of the equipment was delayed and the proceeds will be in the 2020/21 results.

In summary we are pleased to have steered the company to continued profitability in these difficult and unfavorable market conditions.

Principal risks and uncertainties

The underlying financial strength of the business and the proactive nature of the management to take decisive action will protect the business through the current period of pandemic and economic turmoil. There is also a sense of optimism that the route out of the current situation is investment in the construction industry. The business is strongly placed to take advantage of these opportunities. Our focus again will be reducing our cost base and we are currently investing heavily in our IT systems to better streamline our operations and produce improved management control. Our realistic view is that we will take the brunt of the pain up to the end of 2020/2021 financial year and going forward into 2021/22 the business will start to expand again. The barrier to success will be the availability of new plant whilst the manufacturers slowly ramp up their supply chains. As a result we will be forward ordering plant to suit our needs and those of our customers.

Key performance indicators

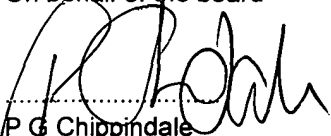
Turnover has decreased by 18% from £23.2m to £19.0m.

Gross profit has increased from 25.7% to 26.9%.

Profit before tax has decreased from £1.84m to £1.33m.

Net assets have increased from £9.4m to £10.0m.

On behalf of the board



P G Chippindale

Director

19 December 2020

CHIPPINDALE PLANT LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2020

The directors present their annual report and financial statements for the year ended 30 April 2020.

Principal activities

The principal activity of the company continued to be that of the sale and hire of contractors' plant and is unchanged since the previous year.

Directors

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

N P Chippindale
P G Chippindale
A C Attack

Results and dividends

The results for the year are set out on page 7.

Ordinary dividends were paid amounting to £328,644. The directors do not recommend payment of a further dividend.

Principal risks and uncertainties

The company uses various financial instruments; these include loans, cash and various items, such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations. The existence of these financial instruments exposes the company to a number of financial risks, which are described in more detail below. No transactions of a speculative nature are undertaken.

The main risks arising from the company's financial instruments are market risk, cash flow interest rate risk, credit risk and liquidity risk. The directors' review and agree policies for managing each of these risks and they are summarised below. These policies have remained unchanged from previous years.

Market risk

Market risk encompasses three types of risk, being currency risk (the company does not trade in overseas markets), fair value interest rate risk and price risk (the company does not have any listed investments). The company's policies for managing fair value interest rate risk are considered along with those for managing cash flow interest rate risk and are set out in the subsection entitled "interest rate risk" below.

Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

Interest rate risk

The company finances its operations through hire purchase agreements. The company's exposure to interest rate fluctuations is not considered by the directors to be significant.

CHIPPINDALE PLANT LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

Credit risk

The company's principal financial assets are cash and trade debtors. The credit risk associated with the cash is limited as counter parties have high credit ratings assigned by international credit-rating agencies. The principal credit risk arises therefore from its trade debtors.

Credit limits are reviewed by the credit controller on a regular basis in conjunction with debt-ageing and collection history.

Future developments

The directors are not expecting to make any significant change in the nature of the business in the near future.

Auditor

Under section 487(2) of the Companies Act 2006, the auditor, Buckle Barton Limited, will be deemed to be reappointed 28 days after these financial statements were sent to members, or 28 days after the latest date prescribed for, filing the accounts with the register, whichever is earlier.

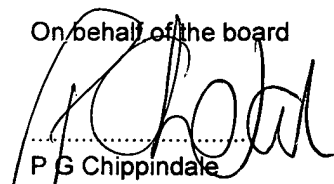
Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Matters covered in the Strategic Report

Information not shown in the directors' report because it is shown in the strategic report instead under s414c(11). The strategic report includes a business review, principal risks and uncertainties and financial key performance indicators.

On behalf of the board



P G Chippindale
Director
9 December 2020

CHIPPINDALE PLANT LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 APRIL 2020

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. It is important to bear in mind that legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

CHIPPINDALE PLANT LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CHIPPINDALE PLANT LIMITED

Opinion

We have audited the financial statements of Chippindale Plant Limited (the 'company') for the year ended 30 April 2020 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the 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 FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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

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

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

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.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report has been prepared in accordance with applicable legal requirements.

CHIPPINDALE PLANT LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CHIPPINDALE PLANT LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of directors

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

In preparing the financial statements, the directors are responsible for assessing the 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's responsibilities for the audit of the financial statements

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

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

George Goodman FCCA (Senior Statutory Auditor)

for and on behalf of Buckle Barton Limited

Statutory Auditor
Sanderson House
Station Road
Horsforth
Leeds
LS18 5NT

9 December 2020

CHIPPINDALE PLANT LIMITED

STATEMENT OF TOTAL COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 APRIL 2020

		2020 £	2019 £
	Notes		
Turnover	3	19,032,207	23,244,494
Cost of sales		(13,910,501)	(17,271,287)
Gross profit		5,121,706	5,973,207
Distribution costs		(1,794,796)	(1,730,090)
Administrative expenses		(2,031,654)	(2,123,452)
Other operating income		253,366	57,674
Operating profit	4	1,548,622	2,177,339
Interest receivable and similar income	8	8,006	8,806
Interest payable and similar expenses	9	(228,161)	(346,412)
Profit before taxation		1,328,467	1,839,733
Taxation	10	(453,885)	(373,964)
Profit for the financial year		874,582	1,465,769
Total comprehensive income for the year		874,582	1,465,769
Total comprehensive income for the year is attributable to:			
-Owners of the parent company		874,582	1,465,769
-Non controlling interests		-	-
		874,582	1,465,769

The Statement of Total Comprehensive Income has been prepared on the basis that all operations are continuing operations.

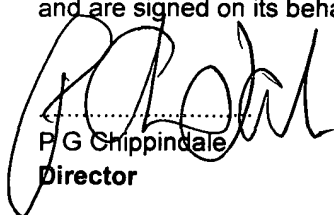
CHIPPINDALE PLANT LIMITED

BALANCE SHEET

AS AT 30 APRIL 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Goodwill	12		-	50,221	
Tangible assets	13	22,871,105		24,814,159	
Investments	14	543,012		543,012	
		23,414,117		25,407,392	
Current assets					
Stocks	16	854,430		1,485,830	
Debtors	17	2,156,744		3,392,881	
Cash at bank and in hand		1,808,517		517,341	
		4,819,691		5,396,052	
Creditors: amounts falling due within one year	18	(9,551,425)		(11,692,724)	
Net current liabilities		(4,731,734)		(6,296,672)	
Total assets less current liabilities		18,682,383		19,110,720	
Creditors: amounts falling due after more than one year	19	(6,640,860)		(7,970,135)	
Provisions for liabilities	21	(2,085,000)		(1,730,000)	
Net assets		9,956,523		9,410,585	
Capital and reserves					
Called up share capital	24	78,088		78,088	
Revaluation reserve		124,423		174,045	
Capital redemption reserve		22,112		22,112	
Profit and loss reserves		9,731,900		9,136,340	
Total equity		9,956,523		9,410,585	

The financial statements were approved by the board of directors and authorised for issue on 9 December 2020 and are signed on its behalf by:


P G Chippindale
Director

Company Registration No. 00467731

CHIPPINDALE PLANT LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 APRIL 2020

	Notes	Share capital £	Revaluation reserve £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 May 2018		78,088	283,204	22,112	7,884,686	8,268,090
Year ended 30 April 2019:						
Profit and total comprehensive income for the year		-	-	-	1,465,769	1,465,769
Dividends	11	-	-	-	(323,274)	(323,274)
Transfers		-	(109,159)	-	109,159	-
Balance at 30 April 2019		78,088	174,045	22,112	9,136,340	9,410,585
Year ended 30 April 2020:						
Profit and total comprehensive income for the year		-	-	-	874,582	874,582
Dividends	11	-	-	-	(328,644)	(328,644)
Transfers		-	(49,622)	-	49,622	-
Balance at 30 April 2020		78,088	124,423	22,112	9,731,900	9,956,523

CHIPPINDALE PLANT LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 APRIL 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash generated from operations	29	4,994,877		5,450,869	
Interest paid		(228,161)		(346,412)	
Income taxes paid		(323,885)		(213,964)	
Net cash inflow from operating activities		4,442,831		4,890,493	
Investing activities					
Purchase of tangible fixed assets		(407,356)		209,124	
Proceeds on disposal of tangible fixed assets		1,510,047		1,667,429	
Interest received		8,006		8,806	
Net cash generated from investing activities		1,110,697		1,885,359	
Financing activities					
Proceeds of new loans		1,225,000		-	
Repayment of bank and other loans		(162,150)		(447,021)	
Payment of hire purchase obligations		(4,996,558)		(6,417,034)	
Dividends paid		(328,644)		(323,274)	
Net cash used in financing activities		(4,262,352)		(7,187,329)	
Net increase/(decrease) in cash and cash equivalents		1,291,176		(411,477)	
Cash and cash equivalents at beginning of year		517,341		928,818	
Cash and cash equivalents at end of year		1,808,517		517,341	
Relating to:					
Cash at bank and in hand		1,808,517		517,341	

CHIPPINDALE PLANT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2020

1 Accounting policies

Company information

Chippindale Plant Limited is a private company limited by shares domiciled and incorporated in the United Kingdom and registered in England and Wales. The registered office is Prima House, Ring Road, Lower Wortley, Leeds, LS12 5PX.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1.

The financial statements have been prepared on the historical cost convention, The principal accounting policies adopted are set out below.

Group accounts have not been prepared as all of the company's subsidiaries are immaterial both individually and collectively and therefore are permitted to be excluded from group accounts by virtue of sections 402 and 405 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the company and can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from contracts to provide services is recognised in the period in which the services are provided.

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amounts of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.3 Intangible fixed assets - goodwill

Purchased goodwill is capitalised and written off over its useful economic life of five years.

CHIPPINDALE PLANT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

1 Accounting policies

(Continued)

1.4 Tangible fixed assets

The company elected to adopt a 'deemed cost' value at the date of transition, this reflects the value of the tangible fixed assets under the previous policy under UK GAAP at the date of transition (1 May 2014). The company will no longer apply the revaluation model under FRS 102 (as it did under UK GAAP) and will hold assets at the deemed cost and depreciate them over their useful economic lives. Revaluations will no longer be performed. On transition, the revaluation reserve remains in accordance with the Companies Act 2006.

Tangible assets are tested for impairment when an indicator of impairment is identified. Any impairment of the carrying value is charged to the profit and loss account. Impairment charges through the profit and loss account relating to previously re-valued assets are subsequently transferred from the profit and loss account reserve to the revaluation reserve.

On the sale of subsequent sale of tangible fixed assets, the attributable revaluation surplus remaining in the revaluation reserve is transferred directly to retained earnings.

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	11% to 20% on cost
Hire fleet	7 % to 25% on cost
Fixtures and fittings	15% to 50% on cost
Plant & machinery	20% on cost
Commercial and motor vehicles	12% to 25% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

CHIPPINDALE PLANT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

1 Accounting policies

(Continued)

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial assets

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Loans and receivables

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

1.9 Financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

CHIPPINDALE PLANT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Leases

Leases are classified as hire purchase arrangements whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under hire purchase agreements are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a hire purchase obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

CHIPPINDALE PLANT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2020

1 Accounting policies

(Continued)

1.14 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below:

Tangible fixed assets

Tangible fixed assets are a material balance in the Balance Sheet. Depreciation is recognised so as to write off the cost of the tangible fixed assets less their residual values over their useful economic lives. The useful economic life is reviewed by the Directors at the end of each financial year, and where deemed necessary the depreciation rate is adjusted. In relation to hire fleet assets any change in the market value and residual value of hire fleet assets then the depreciation charge is adjusted if necessary at each financial year end by the Directors. The change in useful economic life of tangible fixed assets could have a material effect on the carrying value of the assets.

3 Turnover

An analysis of the company's turnover is as follows:

	2020 £	2019 £
Turnover		
Sale of goods	6,544,626	9,310,861
Rendering of services	12,475,852	13,933,633
	<u>19,032,207</u>	<u>23,244,494</u>
Other significant revenue		
Interest income	8,006	8,806
Grants received	238,426	43,122
Rent receivable	14,940	14,552
	<u></u>	<u></u>

CHIPPINDALE PLANT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

3 Turnover

(Continued)

All turnover represents amounts derived for the provision of goods and services wholly within the UK, which fall within the company's ordinary activities after the deduction of trade discounts and value added tax. All turnover relates to the principal activity of the company, which is the sale and hire of constructors' plant.

4 Operating profit

	2020	2019
	£	£
Operating profit for the year is stated after charging:		
Depreciation of owned tangible fixed assets	734,039	2,213,106
Depreciation of tangible fixed assets held under hire purchase agreements	2,407,092	1,562,097
Gain on disposal of tangible fixed assets	(438,578)	(402,786)
Amortisation of intangible assets	50,221	127,810
Cost of stocks recognised as an expense	6,018,078	8,572,913
Operating lease charges	410,598	390,450

5 Auditor's remuneration

	2020	2019
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	13,000	13,000
For other services		
Taxation compliance services	550	550
All other non-audit services	7,100	8,055
	7,650	8,605

6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2020	2019
	Number	Number
Operatives and drivers	90	84
Selling and distribution	25	25
Administration	10	12
	125	121

CHIPPINDALE PLANT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

6 Employees (Continued)

Their aggregate remuneration comprised:

	2020 £	2019 £
Wages and salaries	3,584,019	3,469,464
Social security costs	318,394	315,033
Pension costs	282,960	190,498
	<u>4,185,373</u>	<u>3,974,995</u>

7 Directors' remuneration

	2020 £	2019 £
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Remuneration for qualifying services	80,734	101,866
Company pension contributions to defined contribution schemes	161,667	104,721
Pensions to former directors	20,400	20,067
	<u>262,801</u>	<u>226,654</u>

Remuneration of £12,574 and pension contributions of £80,000 were made to the highest paid director. The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2019 - 4).

8 Interest receivable and similar income

	2020 £	2019 £
Interest income		
Interest on bank deposits	<u>8,006</u>	<u>8,806</u>

9 Interest payable and similar expenses

	2020 £	2019 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	44,407	15,652
Interest on hire purchase agreements	183,754	328,237
	<u>228,161</u>	<u>343,889</u>
Other finance costs:		
Other interest	-	2,523
	<u>228,161</u>	<u>346,412</u>

CHIPPINDALE PLANT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

10 Taxation

	2020 £	2019 £
Current tax		
UK corporation tax on profits for the current period	100,000	325,000
Adjustments in respect of previous years	(1,115)	(1,036)
Total current tax	98,885	323,964
Deferred tax		
Origination and reversal of timing differences	355,000	50,000
Total tax charge	453,885	373,964

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2020 £	2019 £
Profit before taxation	1,328,467	1,839,733
Expected tax charge based on a corporation tax rate of 19.00% (2019: 19.00%)	252,409	349,549
Tax effect of expenses that are not deductible in determining taxable profit	6,717	15,011
Adjustments in respect of previous years	(1,115)	(1,036)
Corporation tax roundings and other movements	3,925	1,227
Deferred tax rounding	(8,785)	13,058
Deferred tax provided at a different rate	200,734	(3,845)
Tax expense for the year	453,885	373,964

11 Dividends

	2020 £	2019 £
'A' Ordinary - paid	164,322	161,637
'B' Ordinary - paid	164,322	161,637
	328,644	323,274

CHIPPINDALE PLANT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2020

12 Intangible fixed assets

	Goodwill £
Cost	
At 1 May 2019 and 30 April 2020	980,556
Amortisation and impairment	
At 1 May 2019	930,335
Amortisation charged for the year	50,221
At 30 April 2020	980,556
Carrying amount	
At 30 April 2020	-
At 30 April 2019	50,221

CHIPPINDALE PLANT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2020

13 Tangible fixed assets

	Leasehold improvements	Hire fleet	Fixtures and fittings	Plant & machinery	Commercial and motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 May 2019	68,343	36,883,239	414,695	106,782	2,060,415	39,533,474
Additions	64,887	2,027,796	7,237	12,118	155,098	2,267,136
Disposals	-	(2,363,130)	-	-	(481,186)	(2,844,316)
Transfer	-	(39,142)	39,142	-	-	-
At 30 April 2020	133,230	36,508,763	461,074	118,900	1,734,327	38,956,294
Depreciation						
At 1 May 2019	18,649	13,343,764	322,952	70,075	963,875	14,719,315
Depreciation charged in the year	19,120	2,912,884	16,053	9,061	184,013	3,141,131
Eliminated in respect of disposals	-	(1,338,961)	-	-	(436,296)	(1,775,257)
Transfer	-	(18,704)	18,704	-	-	-
At 30 April 2020	37,769	14,898,983	357,709	79,136	711,592	16,085,189
Carrying amount						
At 30 April 2020	95,461	21,609,780	103,365	39,764	1,022,735	22,871,105
At 30 April 2019	49,694	23,539,475	91,743	36,707	1,096,540	24,814,159

CHIPPINDALE PLANT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2020

13 Tangible fixed assets

(Continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under hire purchase contracts.

	2020 £	2019 £
Hire fleet	14,365,610	18,765,132
Commercial and motor vehicles	908,494	722,935
	<u>15,274,104</u>	<u>19,488,067</u>

14 Fixed asset investments

	Notes	2020 £	2019 £
Investments in subsidiaries	15	<u>543,012</u>	<u>543,012</u>

Movements in fixed asset investments

	Shares £
Cost or valuation	
At 1 May 2019 & 30 April 2020	<u>543,012</u>
Carrying amount	
At 30 April 2020	<u>543,012</u>
At 30 April 2019	<u>543,012</u>

CHIPPINDALE PLANT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

15 Subsidiaries

Details of the company's subsidiaries at 30 April 2020 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct	Indirect
A.G. (Site Services) Limited	Prima House Ring Road, Lower Wortley, Leeds, U.K., LS12 5PX	Dormant	Ordinary	-	100.00
Chippindale (Engineers) Limited	Prima House Ring Road, Lower Wortley, Leeds, U.K., LS12 5PX	Dormant	Ordinary	100.00	
Huddersfield Hire Centre Limited	Prima House Ring Road, Lower Wortley, Leeds, U.K., LS12 5PX	Dormant	Ordinary	100.00	
Omega Plant & Equipment Limited	Prima House Ring Road, Lower Wortley, Leeds, U.K., LS12 5PX	Dormant	Ordinary	100.00	
Wilmslow Plant Hire (Cheshire) Limited	Prima House Ring Road, Lower Wortley, Leeds, U.K., LS12 5PX	Dormant	Ordinary	-	100.00
Wilmslow Plant Hire Company Limited	Prima House Ring Road, Lower Wortley, Leeds, U.K., LS12 5PX	Dormant	Ordinary	-	100.00

16 Stocks

	2020 £	2019 £
Raw materials and consumables	854,430	1,485,830

17 Debtors

	2020 £	2019 £
Trade debtors	1,976,271	3,068,674
Other debtors	1,026	76,085
Prepayments and accrued income	179,447	248,122
	<u>2,156,744</u>	<u>3,392,881</u>

CHIPPINDALE PLANT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2020

18 Creditors: amounts falling due within one year

	Notes	2020 £	2019 £
Other loans		1,034,241	472,226
Bank loans (secured)		129,517	166,667
Obligations under hire purchase agreements (secured)	20	3,821,351	5,088,854
Corporation tax payable		100,000	325,000
Other taxation and social security		659,891	992,691
Trade creditors		2,732,569	3,631,150
Amounts due to group undertakings		543,010	543,010
Accruals and deferred income		530,846	473,126
		<u>9,551,425</u>	<u>11,692,724</u>

Obligations under hire purchase agreements of £3,821,351 (2019: £5,088,854), other loans of £660,000 (2019: £100,000) and bank loans of £129,517 (2019: £166,667) are secured by way of charges over the tangible fixed assets of the company.

19 Creditors: amounts falling due after more than one year

	Notes	2020 £	2019 £
Other loans (secured)		865,000	200,000
Bank loans (secured)		-	125,000
Obligations under hire purchase agreements (secured)	20	5,775,860	7,645,135
		<u>6,640,860</u>	<u>7,970,135</u>

Obligations under hire purchase agreements of £5,775,860 (2019: £7,645,135) bank loans and other loans of £865,000 (2019: £325,000) are secured by way of charges over the tangible fixed assets of the company.

20 Hire purchase agreements commitments

Future minimum lease payments due under hire purchase agreements:

	2020 £	2019 £
Within one year	3,953,726	5,525,464
Within two and five years	5,932,893	7,828,113
	<u>9,886,619</u>	<u>13,353,577</u>
Less: future hire purchase interest	(289,408)	(619,589)
	<u>9,597,211</u>	<u>12,733,988</u>

CHIPPINDALE PLANT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

21	Provisions for liabilities	Notes	2020 £	2019 £
	Deferred tax liabilities	22	2,085,000	1,730,000
			<u>2,085,000</u>	<u>1,730,000</u>

22 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

Balances:	Liabilities 2020 £	Liabilities 2019 £
Accelerated Capital Allowances	2,085,000	1,730,000
	<u>2,085,000</u>	<u>1,730,000</u>

23 Retirement benefit schemes

Defined contribution schemes	2020 £	2019 £
Charge to profit or loss in respect of defined contribution schemes	282,960	190,498
	<u>282,960</u>	<u>190,498</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount outstanding to the scheme as at 30 April 2020 was £48,987 (2019: £24,284).

24 Share capital

	2020 £	2019 £
Ordinary share capital		
Issued and fully paid		
77,888 ordinary 'A' shares of £1 each	77,888	77,888
200 ordinary 'B' shares of £1 each	200	200
	<u>78,088</u>	<u>78,088</u>

The 'A' and 'B' ordinary shares carry the same rights but rank as different classes in respect of the declaration of any dividend or other distribution of profit.

25 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

CHIPPINDALE PLANT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2020

25 Operating lease commitments

(Continued)

	2020 £	2019 £
Within one year	330,834	319,576
Between two and five years	1,217,396	1,105,090
In over five years	772,857	838,132
	<u>2,321,087</u>	<u>2,262,798</u>

26 Ultimate controlling party

In the opinion of the directors there is no controlling party.

27 Capital commitments

There were no capital commitments either authorised or contracted for as at the Balance Sheet date.

28 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2020 £	2019 £
Aggregate compensation	<u>167,225</u>	<u>206,587</u>

During the year the company made rental payments of £274,350 (2019: £273,000) to Chippindale Plant Limited No. 3 Retirement Benefits Scheme, of which P G Chippindale, N P Chippindale and their wives are trustees and beneficiaries. The company also made pension contributions of £160,000 (2019: £60,000) to the scheme. The company has obtained loans from the scheme and the amount due to the scheme as at 30 April 2020 was £1,525,000 (2019: £300,000). The loans are repayable in equal instalments over 5 years and bears interest at 1.5% above base rate and 6.0%. This loans are secured by way of charges over the fixed assets of the company and are included within other loans.

During the year the company paid dividends to directors of £164,322 (2019: £161,637) to P G Chippindale and his wife, and £164,322 (2019: £161,637) to N P Chippindale and his wife.

No guarantees have been given or received.

CHIPPINDALE PLANT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

29	Cash generated from operations	2020 £	2019 £
	Profit for the year	874,582	1,465,769
	Adjustments for:		
	Corporation tax	453,885	373,964
	Interest paid	228,161	346,412
	Interest received	(8,006)	(8,806)
	Gain on disposal of tangible fixed assets	(438,578)	(402,969)
	Amortisation and impairment of intangible assets	50,221	127,810
	Depreciation and impairment of tangible fixed assets	3,141,131	3,775,203
	Movements in working capital:		
	Decrease/(increase) in stocks	631,400	(198,381)
	Decrease/(increase) in debtors	1,236,137	(6,051)
	(Decrease) in creditors	(1,174,056)	(22,082)
	Cash generated from operations	4,994,877	5,450,869

30	Analysis of changes in net debt	1 May 2019 £	Cash flows £	30 April 2020 £
	Cash at bank and in hand	517,341	1,291,176	1,808,517
	Borrowings excluding overdrafts	(963,893)	(1,064,865)	(2,028,758)
	Obligations under finance leases	(12,733,989)	3,136,778	(9,597,211)
		(13,180,541)	3,363,089	(9,817,452)