

Company Registration No. 00467731 (England and Wales)

CHIPPINDALE PLANT LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2018



CHIPPINDALE PLANT LIMITED

COMPANY INFORMATION

Directors	N Chippindale P Chippindale A Atack
Secretary	P 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 2018

The directors present the strategic report for the year ended 30 April 2018.

Fair review of the business

The directors are generally pleased with the performance of the company in the last 12 months considering the political undercurrents causing uncertainty in the market. Investment in the hire fleet and replacement of older equipment has resulted in the hire related activities continuing to grow ahead of our expectations 12 months ago. Our confidence to invest has been supported by stable interest rates and the continued availability of low cost finance from lenders who have an understanding of our business.

Sales of used equipment have been booming as we have sold off ex hire fleet machines at good margins. However, sales of new machines have slightly dipped which is largely due to a difficult transition switching from being a long standing Thwaites dealer to taking over the Mecalac dumper franchise. Our other dealer franchises have performed in line with expectations.

It has been an exceptionally difficult year controlling our cost base as older machines in the hire fleet and transport fleet have developed problems requiring expensive repairs from specialist subcontractors. This has prompted us to invest in expensive diagnostic equipment which should eliminate our reliance on 3rd parties in the coming year

Costs have also risen across the board from energy to insurance. We believe that this is a consequence of market forces and we working hard to identify areas of further cost savings and efficiencies for 2018/2019.

In conclusion we finish the year end, April 2018 roughly on par with the previous year. The legacy of substantial investment in 2017/2018 is a modern and reliable hire fleet and our objective is to maximise utilisation of these assets during the coming financial year, and so improving the performance of hire related activities. There are uncertainties in the market but we have the equipment, resources and drive to take the fight to our competitors. A fresh focus on the cost should result in an improved bottom line.

Principal risks and uncertainties

The market continues to be challenging and we don't anticipate hire rates improving but the niche markets we operate in should continue to yield better rates of return. Our strategy for the coming year is to maximise utilisation of the current hire fleet and pull back on new investment.

Uncertainty in the market could upset sales of new machines as customers are unwilling to take the investment risk. We expect sales to dip in 2018/2019 particularly if interest rates rise.

The issues with Mecalac should improve and their new range of dumpers they are launching in early 2019 will give the range a significant technical improvement over the competition. We believe that Mecalac as a brand will have a resurgence that will translate to sales.

Sales of ex hire fleet and used machines should remain strong.

Key performance indicators

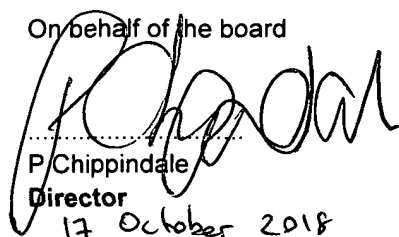
Turnover has increased by 2.7% from £21.9m to £22.5m.

Gross profit has decreased from 26.2% to 25.8%.

Profit before tax has remained the same at £2.0m.

Net assets have increased from £6.8m to £8.3m.

On behalf of the board



P Chippindale
Director
17 October 2018

CHIPPINDALE PLANT LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2018

The directors present their annual report and financial statements for the year ended 30 April 2018.

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 Chippindale

P Chippindale

A Atack

T Robinson

(Resigned 24 August 2018)

Results and dividends

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

Ordinary dividends were paid amounting to £307,676. 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 2018

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 directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have 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.

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

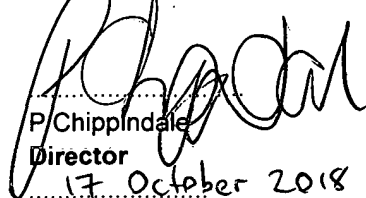
Information not shown in the directors' report because it is shown in the strategic report instead under s414c(11). The strategic report includes a business review, principal risks and uncertainties and financial key performance indicators.

CHIPPINDALE PLANT LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

On behalf of the board


P Chippindale
Director
17 October 2018

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 2018 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 2018 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 have 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 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, 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.

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

17 October 2018

CHIPPINDALE PLANT LIMITED

STATEMENT OF TOTAL COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 APRIL 2018

	Notes	2018 £	2017 £
Turnover	3	22,506,777	21,922,558
Cost of sales		(16,710,665)	(16,185,696)
Gross profit		5,796,112	5,736,862
Selling costs		(1,588,690)	(1,456,844)
Administrative expenses		(1,867,511)	(1,955,892)
Other operating income		63,924	92,388
Operating profit	4	2,403,835	2,416,514
Interest receivable and similar income	8	10,543	11,889
Interest payable and similar expenses	9	(449,310)	(402,951)
Profit before taxation		1,965,068	2,025,452
Taxation	10	(196,079)	(318,297)
Profit for the financial year		1,768,989	1,707,155
Total comprehensive income for the year		1,768,989	1,707,155

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

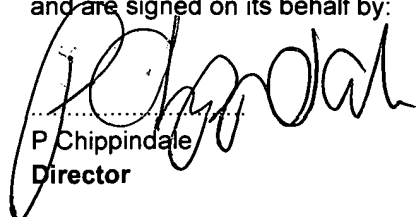
CHIPPINDALE PLANT LIMITED

BALANCE SHEET

AS AT 30 APRIL 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Goodwill	12		178,031		305,842
Tangible assets	13		27,960,277		22,887,782
Investments	14		543,012		543,012
			<u>28,681,320</u>		<u>23,736,636</u>
Current assets					
Stocks	16	1,287,449		1,327,379	
Debtors	17	3,386,830		2,768,273	
Cash at bank and in hand		928,818		1,304,226	
		<u>5,603,097</u>		<u>5,399,878</u>	
Creditors: amounts falling due within one year	18	(12,900,026)		(10,866,233)	
Net current liabilities			(7,296,929)		(5,466,355)
Total assets less current liabilities			<u>21,384,391</u>		<u>18,270,281</u>
Creditors: amounts falling due after more than one year	19		(11,436,301)		(9,768,504)
Provisions for liabilities	21		(1,680,000)		(1,695,000)
Net assets			<u>8,268,090</u>		<u>6,806,777</u>
Capital and reserves					
Called up share capital	24		78,088		78,088
Revaluation reserve			283,204		450,173
Capital redemption reserve			22,112		22,112
Profit and loss reserves			7,884,686		6,256,404
Total equity			<u>8,268,090</u>		<u>6,806,777</u>

The financial statements were approved by the board of directors and authorised for issue on 17 October 2018 and are signed on its behalf by:


P Chippindale
Director

Company Registration No. 00467731

CHIPPINDALE PLANT LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 APRIL 2018

	Notes	Share capital £	Revaluation reserve £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 May 2016		78,088	568,242	22,112	4,805,884	5,474,326
Year ended 30 April 2017:						
Profit and total comprehensive income for the year		-	-	-	1,707,155	1,707,155
Dividends	11	-	-	-	(374,704)	(374,704)
Transfers		-	(118,069)	-	118,069	-
Balance at 30 April 2017		78,088	450,173	22,112	6,256,404	6,806,777
Year ended 30 April 2018:						
Profit and total comprehensive income for the year		-	-	-	1,768,989	1,768,989
Dividends	11	-	-	-	(307,676)	(307,676)
Transfers		-	(166,969)	-	166,969	-
Balance at 30 April 2018		78,088	283,204	22,112	7,884,686	8,268,090

CHIPPINDALE PLANT LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 APRIL 2018

	Notes	2018 £	£	2017 £	£
Cash flows from operating activities					
Cash generated from operations	30	5,569,847		5,768,805	
Interest paid		(449,310)		(402,951)	
Income taxes paid		(296,079)		(175,297)	
Net cash inflow from operating activities		4,824,458		5,190,557	
Investing activities					
Purchase of tangible fixed assets		(1,588,295)		(524,736)	
Proceeds on disposal of tangible fixed assets		2,076,188		1,262,891	
Interest received		10,543		11,889	
Net cash generated from investing activities		498,436		750,044	
Financing activities					
Proceeds from borrowings		-		500,000	
Repayment of borrowings		(100,000)		(577,724)	
Proceeds of new bank loans		500,000		-	
Repayment of bank loans		(41,666)		-	
Payment of finance leases obligations		(5,748,960)		(5,001,191)	
Dividends paid		(307,676)		(374,704)	
Net cash used in financing activities		(5,698,302)		(5,453,619)	
Net (decrease)/increase in cash and cash equivalents		(375,408)		486,982	
Cash and cash equivalents at beginning of year		1,304,226		817,244	
Cash and cash equivalents at end of year		928,818		1,304,226	

CHIPPINDALE PLANT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2018

1 Accounting policies

Company information

Chippindale Plant Limited is a limited company 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.

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 2018

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 2018

1 Accounting policies

(Continued)

1.7 Cash and cash equivalents

Cash at bank and in hand 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.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

CHIPPINDALE PLANT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

1 Accounting policies

(Continued)

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.

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.

CHIPPINDALE PLANT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

1 Accounting policies

(Continued)

1.13 Leases

Leases are classified as finance leases 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 finance leases 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 finance lease 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 income 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 lease asset are consumed.

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. The change in useful economic life of tangible fixed assets could have a material effect on the carrying value of the assets.

CHIPPINDALE PLANT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

3 Turnover

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

	2018 £	2017 £
Turnover		
Sale of goods	9,445,695	9,624,686
Rendering of services	13,061,082	12,297,872
	<u>22,506,777</u>	<u>21,922,558</u>

	2018 £	2017 £
Other significant revenue		
Interest income	10,543	11,889
Grants received	11,598	16,553
Rent receivable	<u>52,326</u>	<u>75,835</u>

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

	2018 £	2017 £
Operating profit for the year is stated after charging:		
Depreciation of owned tangible fixed assets	1,093,072	1,987,619
Depreciation of tangible fixed assets held under finance leases	2,352,556	999,814
Gain on disposal of tangible fixed assets	(459,848)	(378,815)
Amortisation of intangible assets	127,810	95,793
Cost of stocks recognised as an expense	8,323,935	8,957,521
Operating lease charges	<u>375,100</u>	<u>403,529</u>

CHIPPINDALE PLANT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

5 Auditor's remuneration

	2018 £	2017 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	14,300	12,000
For other services		
Taxation compliance services	870	1,900
All other non-audit services	7,480	14,617
	8,350	16,517

6 Employees

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

	2018 Number	2017 Number
Operatives and drivers	84	81
Selling and distribution	25	25
Administration	12	12
	121	118

Their aggregate remuneration comprised:

	2018 £	2017 £
Wages and salaries	3,204,618	2,998,569
Social security costs	291,040	281,729
Pension costs	57,548	148,336
	3,553,206	3,428,634

CHIPPINDALE PLANT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

7	Directors' remuneration	2018 £	2017 £
	Remuneration for qualifying services	121,717	129,584
	Company pension contributions to defined contribution schemes	2,349	100,000
	Pensions to former directors	20,000	20,000
		<u>144,066</u>	<u>249,584</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2017 - 4).

8	Interest receivable and similar income	2018 £	2017 £
	Interest income		
	Interest on bank deposits	<u>10,543</u>	<u>11,889</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	<u>10,543</u>	<u>11,889</u>
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9	Interest payable and similar expenses	2018 £	2017 £
	Interest on financial liabilities measured at amortised cost:		
	Interest on bank overdrafts and loans	23,004	13,792
	Interest on finance leases and hire purchase contracts	<u>423,288</u>	<u>388,885</u>
		446,292	402,677
	Other finance costs:		
	Other interest	<u>3,018</u>	<u>274</u>
		<u>449,310</u>	<u>402,951</u>

CHIPPINDALE PLANT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

10 Taxation

	2018 £	2017 £
Current tax		
UK corporation tax on profits for the current period	200,000	300,000
Adjustments in respect of previous years	11,079	(26,703)
Total current tax	211,079	273,297
Deferred tax		
Other adjustments	(15,000)	45,000
Total tax charge	196,079	318,297

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:

	2018 £	2017 £
Profit before taxation	1,965,068	2,025,452
Expected tax charge based on a corporation tax rate of 19.00% (2017: 20.0%)	373,363	405,090
Tax effect of expenses that are not deductible in determining taxable profit	17,293	15,695
Adjustments in respect of previous years	11,079	(26,703)
Corporation tax roundings and other movements	(920)	(921)
Change in rate of deferred tax	(178,317)	(82,850)
Deferred tax rounding	(1,943)	7,986
Deferred tax provided at a different rate	(24,476)	-
Tax expense for the year	196,079	318,297

A reduction of UK corporation tax rate to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future tax charges accordingly.

11 Dividends

	2018 £	2017 £
'A' Ordinary - paid	153,838	187,352
'B' Ordinary - paid	153,838	187,352
	307,676	374,704

CHIPPINDALE PLANT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

12 Intangible fixed assets

	Goodwill £
Cost	
At 1 May 2017 and 30 April 2018	900,556
Amortisation and impairment	
At 1 May 2017	674,715
Amortisation charged for the year	127,810
At 30 April 2018	802,525
Carrying amount	
At 30 April 2018	178,031
At 30 April 2017	305,842

CHIPPINDALE PLANT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

13 Tangible fixed assets

	Leasehold improvements	Hire fleet	Fixtures and fittings	Plant & machinery	Commercial and motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 May 2017	-	31,739,547	417,102	67,113	1,679,892	33,903,654
Additions	68,343	9,717,229	28,315	25,716	294,860	10,134,463
Disposals	-	(3,005,513)	-	-	(208,571)	(3,214,084)
At 30 April 2018	68,343	38,451,263	445,417	92,829	1,766,181	40,824,033
Depreciation						
At 1 May 2017	-	9,597,703	410,486	53,800	953,883	11,015,872
Depreciation charged in the year	4,540	3,211,428	25,027	12,099	192,534	3,445,628
Eliminated in respect of disposals	-	(1,425,553)	-	-	(172,191)	(1,597,744)
At 30 April 2018	4,540	11,383,578	435,513	65,899	974,226	12,863,756
Carrying amount						
At 30 April 2018	63,803	27,067,685	9,904	26,930	791,955	27,960,277
At 30 April 2017	-	22,141,844	6,616	13,313	726,009	22,887,782

CHIPPINDALE PLANT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

13 Tangible fixed assets

(Continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £2,352,556 (2017 - £999,814) for the year.

	2018 £	2017 £
Hire fleet	22,705,536	18,166,278
Commercial and motor vehicles	623,765	482,299
	<u>23,329,301</u>	<u>18,648,577</u>

14 Fixed asset investments

	Notes	2018 £	2017 £
Investments in subsidiaries	29	<u>543,012</u>	<u>543,012</u>

Movements in fixed asset investments

	Shares £
Cost or valuation	
At 1 May 2016 & 30 April 2017	<u>543,012</u>
Carrying amount	
At 30 April 2018	<u>543,012</u>
At 30 April 2017	<u>543,012</u>

15 Financial instruments

	2018 £	2017 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	3,136,082	2,566,286
Equity instruments measured at amortised cost	<u>543,012</u>	<u>543,012</u>
Carrying amount of financial liabilities		
Measured at amortised cost	<u>24,046,864</u>	<u>20,175,449</u>

CHIPPINDALE PLANT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

16 Stocks

	2018 £	2017 £
Raw materials and consumables	1,287,449	1,327,379

17 Debtors

Amounts falling due within one year:	2018 £	2017 £
Trade debtors	2,994,901	2,502,496
Other debtors	141,181	63,790
Prepayments and accrued income	250,748	201,987
	3,386,830	2,768,273

18 Creditors: amounts falling due within one year

	Notes	2018 £	2017 £
Other loans (secured)		652,580	595,318
Bank loans (secured)		166,667	-
Obligations under finance leases (secured)	20	6,203,720	5,084,232
Corporation tax payable		215,000	300,000
Other taxation and social security		74,463	159,288
Trade creditors		4,279,043	3,524,996
Amounts due to group undertakings		543,010	543,010
Accruals and deferred income		765,543	659,389
		12,900,026	10,866,233

Obligations under finance leases of £6,203,720 (2017: £5,084,232) and other loans of £266,667 (2017: £100,000) are secured by way of charges over the tangible fixed assets of the company.

All creditors due within one year are at an interest rate of 0% aside from the following.

Bank loans and other loans are repayable in equal instalments within 3 - 5 years and are at an interest rate of between 1.5% and 2.14% over the base rate.

Obligations under finance leases are repayable within 5 years and are at interest rates varying from 1% to 3%.

CHIPPINDALE PLANT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

19 Creditors: amounts falling due after more than one year

	Notes	2018 £	2017 £
Other loans (secured)		300,000	400,000
Bank loans (secured)		291,667	-
Obligations under finance leases (secured)	20	10,844,634	9,368,504
		<u>11,436,301</u>	<u>9,768,504</u>

Obligations under finance leases of £10,844,634 (2017: £9,368,504) bank loans and other loans of £591,667 (2017: £400,000) are secured by way of charges over the tangible fixed assets of the company.

Bank loans and other loans are repayable in equal instalments within 3 - 5 years and are at an interest rate of between 1.5% and 2.14% over the base rate.

Obligations under finance leases are repayable within 5 years and are at interest rates varying from 1% to 3%.

20 Finance lease commitments

Future minimum lease payments due under finance leases:

	2018 £	2017 £
Within one year	6,457,460	5,392,238
Within two and five years	11,295,388	9,881,568
	<u>17,752,848</u>	<u>15,273,806</u>
Less: future finance charges and interest	(704,494)	(821,071)
	<u>17,048,354</u>	<u>14,452,735</u>

21 Provisions for liabilities

	Notes	2018 £	2017 £
Deferred tax liabilities	22	1,680,000	1,695,000
		<u>1,680,000</u>	<u>1,695,000</u>

CHIPPINDALE PLANT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

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:

	Liabilities 2018 £	Liabilities 2017 £
Balances:		
Accelerated Capital Allowances	1,680,000	1,695,000
Movements in the year:		2018 £
Liability at 1 May 2017		1,695,000
Credit to profit and loss		(15,000)
Liability at 30 April 2018		1,680,000

23 Retirement benefit schemes

	2018 £	2017 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	39,897	148,336

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.

24 Share capital

	2018 £	2017 £
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
	78,088	78,088

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.

CHIPPINDALE PLANT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

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:

	2018 £	2017 £
Within one year	255,393	192,977
Between two and five years	928,649	528,200
In over five years	813,120	523,917
	<u>1,997,162</u>	<u>1,245,094</u>

26 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.

	2018 £	2017 £
Aggregate compensation	<u>121,717</u>	<u>129,584</u>

During the year the company made rental payments of £225,828 (2017: £255,000) to Chippindale Plant Limited No. 3 Retirement Benefits Scheme, of which P Chippindale, N Chippindale and their wives are trustees and beneficiaries. The company also made pension contributions of £nil (2017: £100,000) to the scheme. The company has obtained a loan from the scheme and the amount due to the scheme as at 30 April 2018 was £400,000 (2017: £500,000). The loan is repayable in equal instalments over 5 years and bears interest at 1.5% above base rate. This loan is secured by way of charges over the fixed assets of the company and is included within other loans.

During the year the company paid dividends to directors of £153,838 (2017: £187,352) to P Chippindale and his wife, and £153,838 (2017: £187,352) to N Chippindale and his wife.

A balance of £533,010 (2017: £533,010) is owing to a subsidiary company, Wilmslow Plant Hire Company Limited. This amount is unsecured and interest free and included in creditors falling due within one year - amounts due to group companies.

A balance of £10,000 (2017: £10,000) is owing to a subsidiary company, Huddersfield Hire Centre Limited. This amount is unsecured and interest free and included in creditors amounts falling due within one year - amounts due to group companies.

No guarantees have been given or received.

CHIPPINDALE PLANT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

29 Subsidiaries

Details of the company's subsidiaries at 30 April 2018 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

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Profit/(Loss)	Capital and Reserves
	£	£
A.G. (Site Services) Limited	-	100
Chippindale (Engineers) Limited	-	2
Huddersfield Hire Centre Limited	-	10,000
Omega Plant & Equipment Limited	-	533,010
Wilmslow Plant Hire (Cheshire) Limited	-	15,000
Wilmslow Plant Hire Company Limited	-	53,310

CHIPPINDALE PLANT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

30 Cash generated from operations

	2018 £	2017 £
Profit for the year after tax	1,768,989	1,707,155
Adjustments for:		
Taxation charged	196,079	318,297
Finance costs	449,310	402,951
Investment income	(10,543)	(11,889)
Gain on disposal of tangible fixed assets	(459,849)	(378,815)
Amortisation and impairment of intangible assets	127,810	95,793
Depreciation and impairment of tangible fixed assets	3,445,628	2,987,433
Movements in working capital:		
Decrease/(increase) in stocks	39,930	(525,369)
(Increase)/decrease in debtors	(618,557)	449,344
Increase in creditors	631,050	723,905
Cash generated from operations	<u>5,569,847</u>	<u>5,768,805</u>