

Group Strategic Report, Report of the Directors and
Audited Consolidated Financial Statements for the Year Ended 31st May 2022
for
H.E. Group Ltd

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H.E. Group Ltd
Company Information
for the year ended 31st May 2022

DIRECTORS:

Mr H R Edeleanu
Mr P A Durey
Ms C J Luscombe

REGISTERED OFFICE:

Whitewall Centre
Whitewall Road
Strood
Rochester
Kent
ME2 4DZ

REGISTERED NUMBER:

02079614 (England and Wales)

AUDITORS:

Beak Kemmenoe
Chartered Accountants
& Statutory Auditors
1-3 Manor Road
Chatham
Kent
ME4 6AE

Group Strategic Report
for the year ended 31st May 2022

The directors present their strategic report of the company and the group for the year ended 31st May 2022.

FAIR REVIEW OF THE BUSINESS

The group has increased turnover in the reporting period by over 30% as the country has recovered from the COVID-19 pandemic which had affected all of our trading sites. Despite the ongoing outbreaks affecting customers, the group has improved its profitability compared to the prior reporting period.

The hard work to ensure our fleet is streamlined and responsive to changing conditions carried out over the prior two years has resulted in yielding a gross profit margin of 31.2% (2021: 26.8%) and a gross profit of £8,176,621 (2021: £5,369,513).

The sale of our second hand machines has once again resulted in a healthy profit on disposal of £4,124,607 (2021: £2,326,279), as discerning buyers from around the world continue to recognise that ex-hire plant from the H.E. fleet is well maintained and amongst the best available. This is an integral part of the H.E. Group Ltd business model.

We have continued to invest in our fleet to ensure it is up to date and of the high quality customers rely on for their own success. We have invested £22,362,206 in new acquisitions and disposed of plant that originally cost £16,526,333. The work carried out to streamline the fleet to make it more responsive to demand has proved to be timely with some of the benefits already seen in the year. This increased investment is partly due to the improved demand enjoyed in the year but also to the larger prices paid for machines.

KEY PERFORMANCE INDICATORS

Management use a range of performance measures to monitor and manage the business. The KPIs used to determine the progress and performance are set out below:

Turnover

Turnover grew by 30.7% with £26,172,623 achieved in the reporting period.

Profit before tax

Profit before tax increased to £7,669,673 from £4,571,449 in the previous reporting period as the group expanded and made profits on the sale of second hand plant.

Balance sheet

The balance sheet shows that the group's net assets at the reporting date have increased to £29,234,316 from £23,018,967.

Cash flow

The group saw a net cash inflow of £1,000,278 (2021: £1,077,908) as the group used some of the profits made to invest in fixed assets and fund increased working capital resulting from the growth in turnover.

PRINCIPAL RISKS AND UNCERTAINTIES

The group operates in the construction industry, which is inherently uncertain and subject to several uncontrollable factors including:

-
- Government policy and levels of public spending
- Economic conditions, interest rates in particular
- Investor and consumer confidence

Group Strategic Report
for the year ended 31st May 2022

RISK MANAGEMENT

These principal risk factors are inextricably linked and while the outlook in the construction industry and the wider economy continues to be uncertain in the aftermath of the COVID-19 pandemic, we remain confident that our business can continue to be successfully managed through these challenging conditions. The group's success over the years is predicated on a business model that enables it to generate cash quickly from the sale of second hand plant if required. This model has proven itself over the last three decades.

FUTURE DEVELOPMENTS

We continue to operate at the top end of the market and strive to meet our customers' requirements on the basis of quality and reliability. Our reputation for offering the most up to date hire fleet on the market remains integral to our business strategy. As we look to the spring of 2023 the group has strengthened its management structure with internal promotion and recruitment and plans to continue its growth to meet changing market conditions and the requirements of our growing customer base.

ON BEHALF OF THE BOARD:

Mr H R Edeleanu - Director

20th January 2023

Report of the Directors
for the year ended 31st May 2022

The directors present their report with the financial statements of the company and the group for the year ended 31st May 2022.

PRINCIPAL ACTIVITY

The principal activity of the group in year under review was the hire of plant.

The group is made up of three trading companies H.E. Group Ltd, H.E. Services (Plant Hire) Ltd and Masterhitch Europe Limited. H.E. Group Ltd and H.E. Services (Plant Hire) Ltd hires plant and machinery, Masterhitch Europe Limited sells and manufactures excavator quick hitches, buckets and wearparts. The parent company has further subsidiaries, all of which are dormant.

DIVIDENDS

£20,000 of preference share dividends were distributed in the year ended 31st May 2022.

DIRECTORS

The directors shown below have held office during the whole of the period from 1st June 2021 to the date of this report.

Mr H R Edeleanu

Mr P A Durey

Ms C J Luscombe

DISCLOSURE IN THE STRATEGIC REPORT

The directors have disclosed their review of the business, the key performance indicators, risk management policies, principal risks and uncertainties along with future developments in the Strategic Report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

Report of the Directors
for the year ended 31st May 2022

AUDITORS

The auditors, Beak Kemmenoe, are deemed to be reappointed.

ON BEHALF OF THE BOARD:

Mr H R Edeleanu - Director

20th January 2023

Opinion

We have audited the financial statements of H.E. Group Ltd (the 'parent company') and its subsidiaries (the 'group') for the year ended 31st May 2022 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page four, 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 necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- We identified the laws and regulations applicable to the group through discussions with directors and other management, and from our commercial knowledge and experience of the business sector;
- We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the group, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment and health and safety legislation;
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- Identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the group's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- Making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- Performed analytical procedures to identify any unusual or unexpected relationships;
- Tested journal entries to identify unusual transactions;
- Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- Investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- Agreeing financial statement disclosures to underlying supporting documentation; and
- Enquiring of management as to actual and potential litigation and claims;

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors 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.

Ronald Price FCA (Senior Statutory Auditor)
for and on behalf of Beak Kemmenoe
Chartered Accountants
& Statutory Auditors
1-3 Manor Road
Chatham
Kent
ME4 6AE

20th January 2023

Consolidated
Income Statement
for the year ended 31st May 2022

	Notes	2022 £	2021 £
TURNOVER	3	26,172,623	20,018,133
Cost of sales		<u>17,996,002</u>	<u>14,648,620</u>
GROSS PROFIT		8,176,621	5,369,513
Administrative expenses		<u>6,001,310</u>	<u>4,313,509</u>
		2,175,311	1,056,004
Other operating income	4	2,287,877	2,190,476
Profit on sale of fixed assets		<u>4,124,607</u>	<u>2,326,279</u>
OPERATING PROFIT	6	8,587,795	5,572,759
Interest receivable and similar income	8	<u>73,261</u>	<u>55,658</u>
		8,661,056	5,628,417
Interest payable and similar expenses	9	<u>991,383</u>	<u>1,056,968</u>
PROFIT BEFORE TAXATION		7,669,673	4,571,449
Tax on profit	10	<u>1,364,324</u>	<u>844,380</u>
PROFIT FOR THE FINANCIAL YEAR		<u>6,305,349</u>	<u>3,727,069</u>
Profit attributable to: Owners of the parent		<u>6,305,349</u>	<u>3,727,069</u>

The notes form part of these financial statements

Consolidated
Other Comprehensive Income
for the year ended 31st May 2022

	Notes	2022 £	2021 £
PROFIT FOR THE YEAR		6,305,349	3,727,069
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME		<u>6,305,349</u>	<u>3,727,069</u>
FOR THE YEAR		<u>6,305,349</u>	<u>3,727,069</u>
Total comprehensive income attributable to:			
Owners of the parent		<u>6,305,349</u>	<u>3,727,069</u>

The notes form part of these financial statements

Consolidated Balance Sheet
31st May 2022

	Notes	2022 £	£	2021 £	£
FIXED ASSETS					
Tangible assets	12		56,065,963		49,145,042
Investments	13		-		-
Investment property	14		<u>2,340,695</u>		<u>2,340,695</u>
			58,406,658		51,485,737
CURRENT ASSETS					
Stocks	15	996,184		834,820	
Debtors	16	4,617,633		4,022,943	
Cash at bank		<u>3,608,003</u>		<u>2,607,725</u>	
		9,221,820		7,465,488	
CREDITORS					
Amounts falling due within one year	17	<u>20,891,810</u>		<u>22,118,851</u>	
NET CURRENT LIABILITIES			<u>(11,669,990)</u>		<u>(14,653,363)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			46,736,668		36,832,374
CREDITORS					
Amounts falling due after more than one year	18		(13,104,563)		(10,412,714)
PROVISIONS FOR LIABILITIES	23		<u>(4,307,789)</u>		<u>(3,400,693)</u>
NET ASSETS			<u>29,324,316</u>		<u>23,018,967</u>
CAPITAL AND RESERVES					
Called up share capital	24		100		100
Retained earnings			<u>29,324,216</u>		<u>23,018,867</u>
SHAREHOLDERS' FUNDS			<u>29,324,316</u>		<u>23,018,967</u>

The financial statements were approved by the Board of Directors and authorised for issue on 20th January 2023 and were signed on its behalf by:

Mr H R Edeleanu - Director

Company Balance Sheet
31st May 2022

	Notes	2022 £	2021 £
FIXED ASSETS			
Tangible assets	12	55,920,473	49,077,094
Investments	13	25	25
Investment property	14	<u>2,340,695</u>	<u>2,340,695</u>
		58,261,193	51,417,814
CURRENT ASSETS			
Stocks	15	183,443	59,879
Debtors	16	2,000,210	1,277,059
Cash at bank		<u>302,219</u>	<u>190,787</u>
		2,485,872	1,527,725
CREDITORS			
Amounts falling due within one year	17	<u>19,394,587</u>	<u>21,162,264</u>
NET CURRENT LIABILITIES		<u>(16,908,715)</u>	<u>(19,634,539)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		41,352,478	31,783,275
CREDITORS			
Amounts falling due after more than one year	18	(13,104,563)	(10,412,714)
PROVISIONS FOR LIABILITIES	23	<u>(4,304,285)</u>	<u>(3,416,985)</u>
NET ASSETS		<u>23,943,630</u>	<u>17,953,576</u>
CAPITAL AND RESERVES			
Called up share capital	24	100	100
Retained earnings		<u>23,943,530</u>	<u>17,953,476</u>
SHAREHOLDERS' FUNDS		<u>23,943,630</u>	<u>17,953,576</u>
Company's profit for the financial year		<u>5,990,054</u>	<u>3,641,894</u>

The financial statements were approved by the Board of Directors and authorised for issue on 20th January 2023 and were signed on its behalf by:

Mr H R Edeleanu - Director

Consolidated Statement of Changes in Equity
for the year ended 31st May 2022

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1st June 2020	100	19,291,798	19,291,898
Changes in equity			
Total comprehensive income	-	3,727,069	3,727,069
Balance at 31st May 2021	100	23,018,867	23,018,967
Changes in equity			
Total comprehensive income	-	6,305,349	6,305,349
Balance at 31st May 2022	100	29,324,216	29,324,316

The notes form part of these financial statements

Company Statement of Changes in Equity
for the year ended 31st May 2022

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1st June 2020	100	14,311,582	14,311,682
Changes in equity			
Total comprehensive income	-	3,641,894	3,641,894
Balance at 31st May 2021	100	17,953,476	17,953,576
Changes in equity			
Total comprehensive income	-	5,990,054	5,990,054
Balance at 31st May 2022	100	23,943,530	23,943,630

The notes form part of these financial statements

Consolidated Cash Flow Statement
for the year ended 31st May 2022

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	12,609,397	10,768,149
Tax paid		<u>(713,516)</u>	<u>(239,708)</u>
Net cash from operating activities		<u>11,895,881</u>	<u>10,528,441</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(22,362,206)	(7,098,980)
Sale of tangible fixed assets		10,808,106	7,228,489
Interest received		<u>73,261</u>	<u>55,658</u>
Net cash from investing activities		<u>(11,480,839)</u>	<u>185,167</u>
Cash flows from financing activities			
Loan repayments in year		(212,200)	(157,887)
Finance costs		(991,383)	(1,056,968)
Movement on hire purchase contracts		<u>1,788,819</u>	<u>(8,420,845)</u>
Net cash from financing activities		<u>585,236</u>	<u>(9,635,700)</u>
Increase in cash and cash equivalents		<u>1,000,278</u>	<u>1,077,908</u>
Cash and cash equivalents at beginning of year	2	<u>2,607,725</u>	<u>1,529,817</u>
Cash and cash equivalents at end of year	2	<u><u>3,608,003</u></u>	<u><u>2,607,725</u></u>

The notes form part of these financial statements

Notes to the Consolidated Cash Flow Statement
for the year ended 31st May 2022**1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	2022 £	2021 £
Profit before taxation	7,669,673	4,571,449
Depreciation charges	8,757,786	8,789,516
Profit on disposal of fixed assets	(4,124,607)	(2,326,279)
Finance costs	991,383	1,056,968
Finance income	(73,261)	(55,658)
	<u>13,220,974</u>	<u>12,035,996</u>
Increase in stocks	(161,363)	(110,926)
Increase in trade and other debtors	(594,690)	(1,209,562)
Increase in trade and other creditors	144,476	52,641
Cash generated from operations	<u>12,609,397</u>	<u>10,768,149</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31st May 2022

	31.5.22 £	1.6.21 £
Cash and cash equivalents	<u>3,608,003</u>	<u>2,607,725</u>

Year ended 31st May 2021

	31.5.21 £	1.6.20 £
Cash and cash equivalents	<u>2,607,725</u>	<u>1,529,817</u>

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.6.21 £	Cash flow £	At 31.5.22 £
Net cash			
Cash at bank	<u>2,607,725</u>	<u>1,000,278</u>	<u>3,608,003</u>
	<u>2,607,725</u>	<u>1,000,278</u>	<u>3,608,003</u>
Debt			
Finance leases	(24,670,845)	(1,788,819)	(26,459,664)
Debts falling due within 1 year	(212,201)	(742,137)	(954,338)
Debts falling due after 1 year	(1,483,495)	954,337	(529,158)
	<u>(26,366,541)</u>	<u>(1,576,619)</u>	<u>(27,943,160)</u>
Total	<u>(23,758,816)</u>	<u>(576,341)</u>	<u>(24,335,157)</u>

1. **STATUTORY INFORMATION**

H.E. Group Ltd is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 May 2022.

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

The accounts of H.E. Services (Plant Hire) Ltd and Masterhitch Europe Limited have been consolidated using the merger method of accounting as the original group was formed from a reconstruction whereby the ultimate shareholding and control of each entity was not changed as a result.

Inter-company transactions, balances and unrealised gains on transactions between the parent company and its subsidiaries, which are related parties, are eliminated in full. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts 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.

In preparing the financial statements the directors have made the following judgements:

Determining the useful lives and depreciation policies for the group's various classes of tangible fixed assets. The directors base these estimates on past performance and industry trends to ensure that the depreciation policy used is sufficient so that the carrying value does not exceed its net realisable value.

Turnover

Turnover is measured at the fair value of the consideration received or receivable from the provision of goods and services, excluding discounts, rebates, value added tax and other sales taxes.

Tangible fixed assets

Tangible fixed assets are stated in the balance sheet at cost less accumulated depreciation. The cost of tangible fixed assets includes directly attributable costs incurred in their acquisition and installation.

2. **ACCOUNTING POLICIES - continued**

Depreciation

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

Land and buildings comprises predominantly of the group's freehold land and buildings at its Strood headquarters together with smaller sites at Castleford, Droitwich and Okehampton. Land is not depreciated, nor are freehold buildings on the basis that the estimated lives are deemed to be so long and the estimated residual values so high that any charge for depreciation would be considered trivial. Freehold property also includes some minor property improvements that are depreciated at 2% straight line per annum, which accounts for the small depreciation charge shown in the financial statements.

Plant and machinery comprises of electric vehicles and other plant. Electric vehicles are depreciated at 10% on a reducing balance basis. Other plant is depreciated at 17.5% on a reducing basis or 10% straight line.

Fixtures and fittings are depreciated at 25% on a reducing balance basis or 10% straight line.

Motor vehicles are depreciated at 10% on a reducing balance basis.

An impairment review is carried out annually and full provision is made in the accounts for any impairment.

Government grants

The group adopts the accrual model for accounting for government grants. Government grants in relation to revenue are recognised in income on a systematic basis over the periods in which the entity recognises the related costs for which the grant is intended to compensate.

Investment property

The group's investment properties are included at fair value. Fair value gains and losses are recognised in the Income Statement. Deferred taxation is provided on these gains.

The directors consider that the fair value of the properties continues to be equal to the cost.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is determined using a first-in, first-out method.

Stock of work in progress and finished goods are valued based on the cost of materials and a proportion of production overheads. The allocation of production overheads is based on the length of time stock items are worked on.

Stock items are regularly reviewed to determine if the net realisable value has fallen below the carrying amount.

2. ACCOUNTING POLICIES - continued

Financial instruments

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions of the instrument. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the balance sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments that comply with all of the conditions of paragraph 11.9 of FRS 102 are classified as 'basic'. For debt instruments that do not meet the conditions of FRS 102.11.9, the group considers whether the debt instrument is consistent with the principle in paragraph 11.9A of FRS 102 in order to determine whether it can be classified as basic. Instruments classified as 'basic' financial instruments are measured subsequently at amortised cost using the effective interest method. Debt instruments that have no stated interest rate (and do not constitute financing transaction) and are classified as payable or receivable within one year are initially measured at an undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting conditions of being 'basic' financial instruments are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the group, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2. ACCOUNTING POLICIES - continued**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against on a straight line basis over the period of the lease.

3. TURNOVER

An analysis of turnover by class of business is given below:

		2022	2021
	£		
Sale of goods		215,080	207,438
Rendering of services		25,885,900	19,705,185
Other revenue		71,643	105,510
		<u>26,172,623</u>	<u>20,018,133</u>

Turnover has not been analysed by geographical market since the markets in which the group operates are extremely competitive and the directors consider disclosure would seriously prejudice the group's trading in those areas.

4. OTHER OPERATING INCOME

	2022	2021
	£	£
Rents receivable	1,673,531	1,520,364
Government grants	614,346	670,112
	<u>2,287,877</u>	<u>2,190,476</u>

Notes to the Consolidated Financial Statements - continued
for the year ended 31st May 2022**5. EMPLOYEES AND DIRECTORS**

	2022	2021
	£	£
Wages and salaries	6,471,998	4,842,705
Social security costs	448,844	341,504
Other pension costs	82,528	68,971
	<u>7,003,370</u>	<u>5,253,180</u>

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

	2022	2021
Administration	87	81
Production	111	87
Management	5	5
	<u>203</u>	<u>173</u>

	2022	2021
£	£	
Directors' remuneration	213,113	136,622
Directors' pension contributions to money purchase schemes	<u>2,135</u>	<u>2,123</u>

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

Money purchase schemes	<u>2</u>	<u>2</u>
------------------------	----------	----------

6. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2022	2021
	£	£
Depreciation - owned assets	8,757,786	8,789,516
Bad debts	324,310	83,282
Foreign exchange losses	2,473	(9,127)
Joint venture profits/(losses)	1,030	(2,334)
Profit on disposal of fixed assets	4,124,607	2,326,279
Operating lease payments	<u>851,122</u>	<u>1,047,254</u>

Notes to the Consolidated Financial Statements - continued
for the year ended 31st May 2022**7. AUDITORS' REMUNERATION**

The audit fee stated in the financial statements is made up of the following services

	2022 £	2021 £
Fees payable to the company's auditor for the audit of the company's annual accounts	16,250	16,200
Fees payable to the company's auditor for other services:		
Audit of the accounts of subsidiaries	8,940	8,735
Non-audit related services	8,810	16,203
	<u>34,000</u>	<u>41,138</u>

8. INTEREST RECEIVABLE AND SIMILAR INCOME

	2022 £	2021 £
Interest receivable	-	205
Other finance income	73,261	55,453
	<u>73,261</u>	<u>55,658</u>

9. INTEREST PAYABLE AND SIMILAR EXPENSES

	2022 £	2021 £
Bank loan interest payable	37,025	41,613
Other interest payable	86,138	54,763
Hire purchase interest	868,220	960,592
	<u>991,383</u>	<u>1,056,968</u>

10. TAXATION**Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

	2022 £	2021 £
Current tax:		
UK corporation tax	457,228	769,018
Deferred tax	907,096	75,362
Tax on profit	<u>1,364,324</u>	<u>844,380</u>

Notes to the Consolidated Financial Statements - continued
for the year ended 31st May 2022**10. TAXATION - continued****Reconciliation of total tax charge included in profit and loss**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2022 £	2021 £
Profit before tax	<u>7,669,673</u>	<u>4,571,449</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19 % (2021 - 19 %)	1,457,238	868,575
Effects of:		
Expenses not deductible for tax purposes	10,587	5,508
Capital allowances in excess of depreciation	(231,997)	-
Depreciation in excess of capital allowances	-	336,685
Adjustments to tax charge in respect of previous periods	-	165
Profit on disposal	(783,675)	(441,993)
Chargeable gains	5,075	78
Deferred tax provision	<u>907,096</u>	<u>75,362</u>
Total tax charge	<u>1,364,324</u>	<u>844,380</u>

11. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

Notes to the Consolidated Financial Statements - continued
for the year ended 31st May 202212. **TANGIBLE FIXED ASSETS****Group**

	Land and buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1st June 2021	4,803,641	78,112,921	1,218,972	848,125	84,983,659
Additions	-	22,322,236	39,970	-	22,362,206
Disposals	-	(16,139,895)	-	(386,438)	(16,526,333)
At 31st May 2022	4,803,641	84,295,262	1,258,942	461,687	90,819,532
DEPRECIATION					
At 1st June 2021	79,863	34,239,302	789,599	729,853	35,838,617
Charge for year	5,248	8,669,046	75,589	7,903	8,757,786
Eliminated on disposal	-	(9,511,707)	-	(331,127)	(9,842,834)
At 31st May 2022	85,111	33,396,641	865,188	406,629	34,753,569
NET BOOK VALUE					
At 31st May 2022	4,718,530	50,898,621	393,754	55,058	56,065,963
At 31st May 2021	4,723,778	43,873,619	429,373	118,272	49,145,042

ASSETS HELD UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS

The net carrying amount of tangible assets include the following amounts in respect of assets held under finance leases and hire purchase contracts:

		2022	2021
£	£		
Plant and machinery		<u>39,174,241</u>	<u>33,373,207</u>

Notes to the Consolidated Financial Statements - continued
for the year ended 31st May 202212. **TANGIBLE FIXED ASSETS - continued****Company**

	Land and buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1st June 2021	4,803,641	77,593,749	1,172,404	848,125	84,417,919
Additions	-	22,218,241	39,692	-	22,257,933
Disposals	-	(16,139,895)	-	(386,438)	(16,526,333)
At 31st May 2022	4,803,641	83,672,095	1,212,096	461,687	90,149,519
DEPRECIATION					
At 1st June 2021	79,863	33,785,420	745,689	729,853	35,340,825
Charge for year	5,248	8,643,013	74,891	7,903	8,731,055
Eliminated on disposal	-	(9,511,707)	-	(331,127)	(9,842,834)
At 31st May 2022	85,111	32,916,726	820,580	406,629	34,229,046
NET BOOK VALUE					
At 31st May 2022	4,718,530	50,755,369	391,516	55,058	55,920,473
At 31st May 2021	4,723,778	43,808,329	426,715	118,272	49,077,094

ASSETS HELD UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS

The net carrying amount of tangible assets include the following amounts in respect of assets held under finance leases and hire purchase contracts:

	2022	2021
£ £		
Plant and machinery	<u>39,174,241</u>	<u>33,373,207</u>

13. **FIXED ASSET INVESTMENTS****Company**

	Shares in group undertakings £
COST	
At 1st June 2021 and 31st May 2022	<u>25</u>
NET BOOK VALUE	
At 31st May 2022	<u>25</u>
At 31st May 2021	<u>25</u>

13. FIXED ASSET INVESTMENTS - continued

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries**H. E. Services (Plant Hire) Ltd**

Registered office: Whitewall Centre, Whitewall Road, Medway City Estate, Rochester, England, ME2 4DZ

Nature of business: Plant Hire

	% holding		
Class of shares:			
Ordinary shares	100.00	31.5.22 £	31.5.21 £
Aggregate capital and reserves		4,755,326	4,541,611
Profit for the year		<u>213,715</u>	<u>164,862</u>

Masterhitch Europe Limited

Registered office: Whitewall Centre, Whitewall Road, Medway City Estate, Rochester, England, ME2 4DZ

Nature of business: Manufacture and augmentation of machinery

	% holding		
Class of shares:			
Ordinary	100.00	31.5.22 £	31.5.21 £
Aggregate capital and reserves		637,164	535,585
Profit/(loss) for the year		<u>101,579</u>	<u>(79,686)</u>

Diggers Direct Limited

Registered office: Whitewall Centre, Whitewall Road, Medway City Estate, Rochester, England, ME2 4DZ

Nature of business: Dormant

	% holding		
Class of shares:			
Ordinary	100.00	31.5.22 £	31.5.21 £
Aggregate capital and reserves		<u>1</u>	<u>1</u>

Diggerworld Limited

Registered office: 1 Garden Cottages, Court Lodge, Shorne, Gravesend, Kent, DA12 3EG

Nature of business: Dormant

	% holding		
Class of shares:			
Ordinary	100.00	31.12.21 £	31.12.20 £
Aggregate capital and reserves		<u>1</u>	<u>1</u>

Notes to the Consolidated Financial Statements - continued
for the year ended 31st May 202213. **FIXED ASSET INVESTMENTS - continued****H.E. Construction Services Limited**

Registered office: Whitewall Centre, Whitewall Road, Medway City Estate, Rochester, England, ME2 4DZ

Nature of business: Dormant

	% holding		
Class of shares:			
Ordinary	100.00	31.5.22 £	31.5.21 £
Aggregate capital and reserves		<u>(11,780)</u>	<u>(11,780)</u>

H.E. Services Limited

Registered office: Whitewall Centre, Whitewall Road, Medway City Estate, Rochester, England, ME2 4DZ

Nature of business: Dormant

	% holding		
Class of shares:			
Ordinary	100.00	31.5.22 £	31.5.21 £
Aggregate capital and reserves		<u>1</u>	<u>1</u>

Hy-Tools Limited

Registered office: Whitewall Centre, Whitewall Road, Medway City Estate, Rochester, England, ME2 4DZ

Nature of business: Dormant

	% holding		
Class of shares:			
Ordinary	100.00	31.5.22 £	31.5.21 £
Aggregate capital and reserves		<u>1</u>	<u>1</u>

Diggerland Limited

Registered office: Whitewall Centre, Whitewall Road, Medway City Estate, Rochester, England, ME2 4DZ

Nature of business: Dormant

	% holding		
Class of shares:			
Ordinary	100.00	31.12.21 £	31.12.20 £
Aggregate capital and reserves		<u>1</u>	<u>1</u>

Notes to the Consolidated Financial Statements - continued
for the year ended 31st May 202213. **FIXED ASSET INVESTMENTS - continued****Buyadigger Limited**

Registered office: Whitewall Centre, Whitewall Road, Medway City Estate, Rochester, England, ME2 4DZ

Nature of business: Dormant

	% holding		
Class of shares:			
Ordinary	100.00	31.5.22	31.5.21
		£	£
Aggregate capital and reserves		<u>2</u>	<u>2</u>

14. **INVESTMENT PROPERTY****Group**Total
£**FAIR VALUE**At 1st June 2021
and 31st May 20222,340,695**NET BOOK VALUE**At 31st May 2022
At 31st May 20212,340,695
2,340,695**Company**Total
£**FAIR VALUE**At 1st June 2021
and 31st May 20222,340,695**NET BOOK VALUE**At 31st May 2022
At 31st May 20212,340,695
2,340,69515. **STOCKS**

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Raw materials	458,686	423,398	-	-
Work-in-progress	75,708	87,320	-	-
Finished goods	<u>461,790</u>	<u>324,102</u>	<u>183,443</u>	<u>59,879</u>
	<u>996,184</u>	<u>834,820</u>	<u>183,443</u>	<u>59,879</u>

Notes to the Consolidated Financial Statements - continued
for the year ended 31st May 202216. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Trade debtors	4,196,881	3,696,767	478,401	361,975
Amounts owed by group undertakings	-	-	928,863	474,751
Other debtors and prepayments	420,752	326,176	592,946	440,333
	<u>4,617,633</u>	<u>4,022,943</u>	<u>2,000,210</u>	<u>1,277,059</u>

17. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Bank loans and overdrafts (see note 19)	954,338	212,201	954,338	212,201
Hire purchase contracts (see note 20)	13,884,259	15,741,626	13,884,259	15,741,626
Trade creditors	1,614,074	735,552	1,214,970	468,598
Corporation tax	512,369	768,656	463,736	737,676
Corporation tax - group relief	-	-	-	20,590
Social security and other taxes	385,111	440,418	28,461	18,404
Other creditors and accruals	3,541,659	4,220,398	2,848,823	3,963,169
	<u>20,891,810</u>	<u>22,118,851</u>	<u>19,394,587</u>	<u>21,162,264</u>

18. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Bank loans (see note 19)	129,158	1,083,495	129,158	1,083,495
Preference shares (see note 19)	400,000	400,000	400,000	400,000
Hire purchase contracts (see note 20)	12,575,405	8,929,219	12,575,405	8,929,219
	<u>13,104,563</u>	<u>10,412,714</u>	<u>13,104,563</u>	<u>10,412,714</u>

Notes to the Consolidated Financial Statements - continued
for the year ended 31st May 2022**19. LOANS**

An analysis of the maturity of loans is given below:

	Group		Company	
	2022 £	2021 £	2022 £	2021 £
Amounts falling due within one year or on demand:				
Bank loans	<u>954,338</u>	<u>212,201</u>	<u>954,338</u>	<u>212,201</u>
Amounts falling due between one and two years:				
Bank loans - 1-2 years	<u>71,805</u>	<u>954,338</u>	<u>71,805</u>	<u>954,338</u>
Amounts falling due between two and five years:				
Bank loans - 2-5 years	57,353	129,157	57,353	129,157
Preference shares	<u>400,000</u>	<u>400,000</u>	<u>400,000</u>	<u>400,000</u>
	<u>457,353</u>	<u>529,157</u>	<u>457,353</u>	<u>529,157</u>

Details of shares shown as liabilities are as follows:

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2022 £	2021 £
400,000	Preference shares	£1	<u>400,000</u>	<u>400,000</u>

Preference shares are non voting and not entitled to assets on a winding up in excess of their nominal value. Dividends are cumulative and paid at 7% of nominal value or based on a share of the profits. The shares must be redeemed by 15 November 2025, the company must give one month notice before redemption. The nominal value of preference shares is recognised as a financial liability. Preference share dividends are recognised as finance costs.

Preference share dividends have been accruing since 15 November 2005. There were accrued dividends of £273,209 at 31 May 2022 (2021: £237,495). Dividends totalling £20,000 were paid in the period.

20. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Hire purchase contracts	
	2022 £	2021 £
Net obligations repayable:		
Within one year	13,884,259	15,741,626
Between one and five years	<u>12,575,405</u>	<u>8,929,219</u>
	<u>26,459,664</u>	<u>24,670,845</u>

Notes to the Consolidated Financial Statements - continued
for the year ended 31st May 2022**20. LEASING AGREEMENTS - continued****Company**

	Hire purchase contracts	
	2022	2021
	£	£
Net obligations repayable:		
Within one year	13,884,259	15,741,626
Between one and five years	12,575,405	8,929,219
	<u>26,459,664</u>	<u>24,670,845</u>

21. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Bank loans	1,083,496	1,295,696	1,083,496	1,295,696
Hire purchase contracts	26,459,664	24,670,845	26,459,664	24,670,845
	<u>27,543,160</u>	<u>25,966,541</u>	<u>27,543,160</u>	<u>25,966,541</u>

Bank borrowings include bank loans of £887,500 (including short term elements) due to Santander UK Plc (2021 - £1,037,500). The terms of repayment are monthly instalments representing principal and interest, the agreed rate of interest on the loan is LIBOR plus 1.83 percentage points. The security given by the group is a fixed legal mortgage over the company's headquarters at Whitewall Road, Strood.

Bank borrowings also include asset backed bank loans of £195,996 (including short term elements) due to Shawbrook Bank Limited (2021 - £258,196). The terms of repayment are monthly instalments representing principal and interest at a fixed rate of 7.2%.

Obligations under hire purchase contracts are secured on the assets concerned.

Notes to the Consolidated Financial Statements - continued
for the year ended 31st May 2022**22. OPERATING LEASES RECEIVABLE**

The total future lease payments receivable are as follows:

		2022	2021
£	£		
Within one year		1,189,382	1,074,432
Between one and five years		2,748,670	2,736,070
Later than five years		3,169,667	3,641,746
		<u>7,107,719</u>	<u>7,452,248</u>

OPERATING LEASES PAYABLE

The total future lease payments are as follows:

		2022	2021
£	£		
Within one year		1,087,911	742,546
Between one and five years		1,477,385	749,974
		<u>2,565,296</u>	<u>1,492,521</u>

23. PROVISIONS FOR LIABILITIES

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Deferred tax	<u>4,307,789</u>	<u>3,400,693</u>	<u>4,304,285</u>	<u>3,416,985</u>
Group				
				Deferred tax
				£
Balance at 1st June 2021				3,400,693
Provided during year				<u>907,096</u>
Balance at 31st May 2022				<u>4,307,789</u>
Company				
				Deferred tax
				£
Balance at 1st June 2021				3,416,985
Provided during year				<u>887,300</u>
Balance at 31st May 2022				<u>4,304,285</u>

Notes to the Consolidated Financial Statements - continued
for the year ended 31st May 2022**24. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2022 £	2021 £
100	Ordinary	£1	<u>100</u>	<u>100</u>

Ordinary shares have full rights in respect of voting, entitlement to dividends and assets on a winding up.

25. RELATED PARTY DISCLOSURES

The group had transactions with key management personnel as follows:

Related Party	Transaction details	2022 £	2021 £
Key Management Personnel	Sales	34,255	53,114
	Indirect expenses	193,977	170,727
	Other creditors	1,291,794	2,025,942

The following other related parties with material transactions existed during the period. The nature of the relationship for each of them was that of shared individuals controlling the businesses and close family members of key management personnel.

Related Party	Transaction details	2022 £	2021 £
Other related parties	Sales	835,767	811,708
	Indirect expenses	531,862	148,405
	Other debtors	92,495	82,215
	Other creditors	211,781	767,432

No amounts were written off in the year.

26. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is H R Edeleanu.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.