
BUCKINGHAM PLANT HIRE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

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BUCKINGHAM PLANT HIRE LIMITED

COMPANY INFORMATION

Directors	Mrs P J Wheeler Mr P W Wheeler Mr M Tye
Company secretary	Mrs P J Wheeler
Registered number	00542721
Registered office	Blackpit Farm Silverstone Road Stowe Buckingham MK18 5LJ
Trading Address	Blackpit Farm Silverstone Road Stowe Buckingham MK18 5LJ
Independent auditor	Mazars LLP Chartered Accountants & Statutory Auditor The Pinnacle 160 Midsummer Boulevard Milton Keynes MK9 1FF

BUCKINGHAM PLANT HIRE LIMITED

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BUCKINGHAM PLANT HIRE LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

Introduction

The Directors are pleased to present the Strategic Report for the year ending 31 December 2019.

Principal activity

Buckingham Plant Hire's principal activity is to specialize in the long-term hire of Heavy Plant and Equipment to key strategic customers and to continue to support and manage Buckingham Group Contracting's day-to-day plant equipment requirements.

Financial Performance

Summary of results over six years Buckingham Plant Hire Limited - entity only

Accounting Period	12 months to 31.12.19	12 months to 31.12.18	12 months to 31.12.17	12 months to 31.12.16	12 months to 31.12.15	12 months to 31.12.14
CATEGORY	£	£	£	£	£	£
Turnover- Total Sales Revenues	15,558,422	16,658,159	15,141,086	14,992,674	14,640,012	13,345,081
Net Profit Before Taxation	889,481	1,556,326	1,163,532	1,110,185	1,171,591	771,193
Net Margin Before Taxation	5.72%	9.34%	7.69%	7.40%	8.00%	5.78%

Financial Review - Buckingham Plant Hire Limited only

It will be immediately obvious from a first glance at the Summary of Financial Performance which charts the headline performance out-turns for Buckingham Plant Hire over the past six years that our business sustained a sharp decline in margin during the 12 months to 31st December 2019.

Net Profits Before Taxation fell back by £667k, a reduction of 43% compared against the profit out-turn during the previous 12 months to 31st December 2018. Although this is a disappointing out-turn it is by no means a disastrous result in a year which saw a significant down-turn in demand for Heavy Plant equipment across all sectors.

It must also be acknowledged that the 9.34% margin achieved during the previous 12 months to 31st December 2018 was an exceptionally strong performance enhanced by an unusual combination of favourable circumstances.

BUCKINGHAM PLANT HIRE LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

Financial Review - Buckingham Plant Hire only (continued)

As can be seen from the summary of Financial Performance above, our business experienced a disappointing reversal in its previously established incremental annual growth of Annual Sales Revenues over the preceding five years. The Audited Financial Statements to 31st December 2019 confirm that total Sales Revenues for the 12 months to 31st December 2019 fell back by a full 6.60% from £16.658m in 2018 to £15.558m in 2019, an overall cash reduction of £1.099m.

By anyone's standards, this is a disappointing reversal and it is important to explain how this reversal came about.

Firstly, the 2018-19 Sugar Beet processing 'Campaign' at all four British Sugar Factories only continued for the first seven weeks of 2019, whereas the previous 2017-18 'Campaign' continued throughout the entire first quarter of 2018.

By comparison, the 2018-19 'Campaign' had a duration of just 20 weeks as opposed to the 2017-18 'Campaign' which continued for an average of 23 weeks across all four Factories.

Although an additional 3 weeks seems almost insignificant in terms of timescales, shorter 'Campaigns' have a very significant impact on utilization of our Heavy Plant Fleet and consequently on Hire Revenue earnings during Quarter 1 of 2019.

Over the entire 12 months to 31st December 2019 our Plant & Labour Revenues with British Sugar decreased by £543k, down by 7.42% from £7,320,568 in the previous 12 months to 31st December 2018 to £6,777,383. Interestingly, this 7.42% reduction is entirely in line with the overall reduction in accumulative Sales revenues at 6.60% for the entire 12 months to 31st December 2019.

Secondly, Buckingham Plant Hire suffered a prolonged period from Easter 2019 through until the middle of June 2019 when Buckingham Group Contracting Limited had very little work available for the portion of the BPHL Heavy Earthmoving Fleet which is ordinarily dedicated and reserved for BGCL use. This paucity of demand resulted in a substantial reduction in BPHL's inter-company plant sales revenues during the second quarter of 2019.

During the previous 12 months to 31st December 2018 BGCL spent £3.540m hiring Heavy Plant equipment from BPHL. In the corresponding 12 months to 31st December 2019 the BGCL Heavy Plant spend was only £2.972m – a reduction of £568k or 16%.

Collectively, the Heavy Plant Hire revenues which BPHL generates from British Sugar and Buckingham Group Contracting account for around 80% of total Heavy Plant Hire revenues in any 12 month period. The 'BPHL Business Model' has been built around the demands of these two primary Clients which have remained remarkably consistent over the past 10 years. It is hardly surprising therefore to observe that when BPHL experiences any significant reduction in demand from either of these two Clients and, more pertinently, when similar degrees of reduced demand occur with both major Clients during the same financial period, the resultant impact on earnings and margin is bound to be significant.

The combined reduction in Heavy Plant Hire revenues generated from trading relationships with our two primary Clients during the 12 months to 31st December 2019 amounted to a contraction totaling £1.111m – [British Sugar down £543k and BGCL down £568k] which accounts for pretty much 100% of the overall decline in Sales Volumes across Buckingham Plant Hire's business during the 12 months under review here.

Finally, it must also be recognized that following a delayed start for several of Buckingham Group Contracting major projects, ground conditions during the late Summer and early Autumn months of 2019 were adversely affected by consistently wet weather conditions which resulted in a premature cessation of earthworks activities at the end of Q3.

BUCKINGHAM PLANT HIRE LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

Related Party Trading Performance - Buckingham Plant Hire only

In spite of the disappointing reduction in Buckingham Group Contracting's requirements for Heavy Plant services during the 12 months to 31st December 2019 there were some encouraging out-turns in certain areas of inter-company trading activities. Most notably, Sales Revenues generated by Buckingham Plant Hire's Fleet Management division which owns and operates an extensive fleet of some 400 cars and commercial vehicles to service BGCL's requirements strengthened by circa £180k – from £2.202m to £2.383m – an increase of 8.2% during the 12 months to 31st December 2019 compared with the previous 12 months to 31st December 2018.

Buckingham Plant Hire's internal trading division, Silverstone Woodlands Campsite, which has operated a joint venture Campsite Operation with Silverstone Circuits Limited since 2012 continued to perform well and made a substantial contribution to the overall financial performance of BPHL during 2019. Un-adjusted gross Campsite profits stood at £318k for the 2019 Season compared with a comparative gross out-turn of £448k for the previous 12 months to 31st December 2018.

As anticipated, Silverstone Circuits Limited moved swiftly to dissolve the long-term, exclusive partnership which had existed between Silverstone Woodlands Campsite and the British Racing Drivers Club and terminated the January 2012 Campsite Partnership Agreement immediately after the 2019 British Grand Prix event.

Silverstone's alternative proposals for a co-operative arrangement beyond 2019 were totally unreasonable and they quickly adopted a position which became irreconcilable. Consequently, we invested some considerable resources to establish our own direct Sales & Marketing operation which was launched in August 2019 and which has proved to be both practicable and commercially viable.

This Report on the Company's performance up to 31st December 2019, has of course, been compiled retrospectively and therefore we can reveal that by the time the full implications of the COVID-19 pandemic became apparent, during the last week of March 2020, our direct independent sales and marketing platform had achieved sales results which were within 5% of those which we had previously enjoyed, at the same point in time in March 2019 when we were exclusively partnered with Silverstone and when Silverstone were handling all of our sales and promotional administration activities.

Contribution from disposal sales of retiring heavy plant assets

Previous Strategic Reports have always focused on the non-operational profits which Buckingham Plant Hire, [operating as a single stand-alone business], generates each year from the disposal of retiring Heavy Plant assets. Consistent generation of profits realized from disposal sales is a positive factor and an important financial element within our business model. As a business, we adhere to a very strict regime of preventative maintenance which is a costly commitment but a precept which keeps our Heavy Plant machinery in first class condition. The benefits of this regime are very significant in-so-much-as we can confidently retain our Heavy Plant machinery on front-line duties for between 6 and 7 years which is significantly longer than would otherwise make economic sense.

Our fastidious approach to maintenance has enhanced Buckingham Plant Hire's reputation as a reliable source of well-used but well-maintained Heavy Plant and pretty much guarantees us a premium margin above net book value when we come to sell our retiring assets.

The Summary Table below highlights the results achieved over the past three years from the disposal sales of retiring Heavy Plant Assets Only. The percentage of Original Cost consistently realized from the sale of machines which are at least six years old is particularly impressive and illustrates what an important factor this is within our business model.

BUCKINGHAM PLANT HIRE LIMITED

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

Financial Period Under Review	Original Cost Value of Heavy Plant Assets Sold During Period	Total Net Cash Realized from Heavy Plant Disposals During Period	Percentage Of Original Cost achieved At Disposal	Total Surplus Achieved above Net Book Value During Period	Percentage Contribution To Total Profits During Period
12 Months Ending 31.12.2017	£3,474,208	£1,163,519	33.5%	£588,336	50.5%
12 Months Ending 31.12.2018	£2,263,334	£1,059,886	46.8%	£431,392	27.7%
12 Months Ending 31.12.2019	£1,310,719	£466,802	35.6%	£294,003	33.05%

A quick glance at the Summary Table will confirm that during the previous 12 months to 31st December 2018 we generated £431,392 in the form of additional surplus profits above our written-down Net Book Values, from the sale of retiring Heavy Plant Assets Only. These additional Asset Sale profits represented a contribution of almost 28% of our overall pre-tax profits of £1,556,326 during 2018.

During the current 12 months under review, to 31st December 2019, the company sold significantly fewer items of Heavy Plant generating additional profits of £294,003 from the sale of retiring Heavy Plant Only. In spite of the fact that we sold more or less half as much Heavy Plant during the 12 months to 31st December 2019, compared with the corresponding period in 2018 these additional Asset Sale profits represented a contribution of 33% or one third of our overall profits of £889,481 during 2019.

When close financial analysis reveals that 33% of net profits before Taxation, in any single year, arise exclusively from the sale of retiring fixed assets, it might initially give cause for concern that the business is becoming overly dependent on these sale proceeds to maintain an acceptable level of profitability. It is important to remember that the Company has always relied upon the sale of retiring assets to bolster its operational profits and that Buckingham Plant Hire only sells Heavy Plant machines when they have reached a certain age and at the point when we believe it is not economic to continue with the prerequisite levels of repair and maintenance required to keep six and seven year old machines in tip-top working order.

Even so, it is marginally disappointing to have to come to terms with the fact that with one third of the Company's annual profits arising from sale of retiring fixed assets, the enormous efforts expended in managing and supporting a £15m turnover Heavy Plant Hire business can apparently produce a wafer-thin margin of just 4.0%. It is also important to recognize the obvious fact that if we weren't running a fleet of circa 200 Heavy Plant machines we wouldn't be in a position to make profits from the sale of the Heavy Plant machines which are being retired from front-line service year-in, year-out.

The other element worth additional attention is the fact that we sold significantly fewer retiring Heavy Plant machines during the current 12 months to 31st December 2019 than usual. The original cost value of the Heavy Plant machines sold during 2019 amounted to £1.3m compared with circa £2.3m in 2018 and circa £3.5m during the 12 months to 31st December 2017.

Historically, we had been running a Heavy Plant replacement programme which revolved around the Heavy Plant machines being retained on our Fleet for an average of between 6 and 7 years. Buckingham Plant Hire's Heavy Plant Fleet has been maintained at a level of around 200 items of Plant, [with a collective original cost value of around £20m], over the past decade. A simple straight-line calculation will indicate that we should therefore expect to have annual disposals of Heavy Plant machinery with collective original cost values amounting to circa £3m every year, as a straight-line average.

BUCKINGHAM PLANT HIRE LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

The significant reduction in disposal sales of 'aging' Heavy Plant machines during 2019 reflects a deliberate change in strategy. Currently, with all of our long-term British Sugar Contracts due to expire in August 2021, we took the decision to pursue a policy of 'sweating' the current Heavy Plant assets which are dedicated exclusively to British Sugar's requirements, across their four Factory sites, in order to extract maximum service life and minimize new investment commitments.

As at 31st December 2019 the Company held Heavy Plant assets with original cost values totaling £21.26m plus Motor Vehicle assets with original cost values totaling £5.91m. Combined together, this represents Plant and Vehicle assets held exclusively by Buckingham Plant Hire at an accumulative original cost value of circa £ 27.2m as at 31st December 2019.

The Heavy Plant Division - Buckingham Plant Hire Limited only

As a specialist provider of Heavy Plant Services we continue to regard movements and changes in value within our Heavy Plant Fleet as key performance indicators for our business.

As stated earlier in this report, the reduction in new capital investment was part of a strategic plan to reduce the Company's exposure to increased medium-term borrowings arranged under our customary and long-established use of Hire Purchase Funding. We made a studied assessment of our current British Sugar Heavy Plant Fleet and refined a workable solution which we are confident will allow us to maintain and deliver appropriate Levels of Service across all four British Sugar Factories until the completion of the 2020-21 'Campaign', scheduled for the end of February 2021.

The table of Heavy Plant Fleet Management Movements and Values published below, records and analyses key changes in Heavy Plant investment and borrowings throughout the 12 month period to 31st December 2019 and compares these movements with the two preceding years.

BUCKINGHAM PLANT HIRE LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

Management Movements and Values - Heavy Plant Fleet - Buckingham Hire Plant Only

CATEGORY	AT 31.12.19 '£'	% CHANGE DURING YEAR 2019	AT 31.12.18 '£'	% CHANGE DURING YEAR 2018	AT 31.12.17 '£'
Cost Value of Heavy Plant at Year End	21,262,832	← Up 0.99%	21,054,023	← Up 0.91%	20,864,477
Heavy Plant Additions (included) at Cost Value During Year	1,519,528	← Down 38.0%	2,452,880	← Down 19.6%	3,050,720
Heavy Plant Disposals (included) at Cost Value During Year	(1,310,719)	← Down 42.1%	(2,263,334)	← Down 34.8%	(3,474,208)
Profit on Heavy Plant (Only) Disposals During Year (Surpluses above Net Book Value)	290,003	← Down 32.8%	431,392	← Down 26.7%	585,597
Annual Heavy Plant (Only) Depreciation Charge For Year	2,154,071	← Up 1.3%	2,126,379	← Down 1.38%	2,156,209
Net Book Value of Heavy Plant held under Hire Purchase Contracts at Year End	4,850,167	← Down 29.9%	6,917,592	← Down 3.39%	7,160,527
Total Hire Purchase Debt Outstanding on Heavy Plant, held under Hire Purchase Agreements at Year End	3,307,268	← Down 27.9%	4,588,608	← Down 4.87%	4,823,320
Net Book Value of Heavy Plant Fleet at Year End	8,611,000	← Down 8.72%	9,433,316	← Down 3.28%	9,753,482
GEARING - Net Book Value of Heavy Plant Fleet versus Hire Purchase Borrowings at Year End	38.4%		48.6%		49.4%

From this analysis it can be seen that during the 12 months to 31st December 2019 our investment in new Heavy Plant equipment was pared right back to just £1.5m compared with £2.5m in the previous 12 months to 31st December 2018.

The pursuit of these strategic plans has had a welcome and beneficial effect on the overall gearing of our Heavy Plant Fleet holdings and the Company's policy of repaying Hire Purchase borrowings within the shortest possible timescales.

The unencumbered net book value of Heavy Plant owned by Buckingham Plant Hire, on which all finance borrowings had been fully repaid as at 31st December 2019, was substantially increased - up at £5.303m compared with £4.845m exactly 12 months earlier at 31st December 2018.

It was also very encouraging to note that Buckingham Plant Hire's overall 'Gearing' – in terms of the Net Book value of the entire Heavy Plant Fleet – set against Total Hire Purchase borrowings outstanding at 31st December 2019 – came in at just 38.4% which is the lowest 'Gearing' which the Company has reported in recent years.

BUCKINGHAM PLANT HIRE LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

Adams Cundell Engineers - ACE Plant stand-alone financial performance

Summary of Results Over Three Years including Three Full Years of Buckingham Ownership

Accounting Period	12 Months to 31.12.19	12 Months to 31.12.18	12 Months to 31.12.17	12 Months to 31.12.16
CATEGORY	£	£	£	£
Turnover – Total Sales Revenues	5,478,256	5,952,144	4,781,026	4,375,969
Net Profit Before Taxation	585,478	1,137,974	1,195,752	602,568
Net Profit Margin Against Turnover	10.68%	19.12%	25.01%	13.77%

Financial Review – ACE Plant Only

As can be seen from the summary of Financial Performance above, the ACE Plant business achieved exponential growth during the first two years of operating as part of Buckingham Group, following its acquisition by Buckingham Plant Hire Limited in November 2016.

During the initial 24 month period between 1st January 2017 and 31st December 2018, Sales Volumes increased by 36% from £4.375m, [in the final 12 months under the ownership of the original Founding Directors] to £5.952m during the 12 months to 31st December 2018.

This degree of growth was completely in line with the expectations of the new owners at Buckingham Plant Hire, whose primary aspiration was to grow ACE Plant exponentially and to take the business to an entirely new level as a leading exponent in the provision of light plant and associated engineered solutions within the Plant Hire Sector.

During its first 12 months under the auspices of Buckingham's ownership, ACE Plant's Annual Sales Revenues increased by just over 9% from £4.375m to £4.781m.

During the initial six months post-acquisition, Buckingham undertook a close examination of the ACE Plant business, specifically seeking areas where the business could be expanded. The second half of 2017 saw a very substantial increase in capital investment as the new owners pumped more than £4m of new cash into the business to fund the introduction of new lines of equipment which ACE Plant had not embraced prior to Buckingham's acquisition of the business.

At the same time, immediately the acquisition was completed, we focused on the development of inter-company trading between ACE Plant and Buckingham Group Contracting Ltd.

Having conferred Preferential Supplier status on ACE Plant, as a first choice in-house provider of Light Plant & Equipment Services, Buckingham Group Contracting, acting in collaboration with Buckingham Plant Hire, appointed a dedicated Business Development Manager whose brief was to re-direct all appropriate light plant hire opportunities away from the external Supply Chain and across to ACE Plant's patronage.

The success of this early initiative is illustrated by the Summary Table below which records the growth of Hire Revenues generated between ACE Plant and Buckingham Group Contracting in progressive years between

BUCKINGHAM PLANT HIRE LIMITED

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

2017 and 2019 bench-marked against the level of inter-company business during the 12 months to 31st December 2016 prior to Buckingham's acquisition of ACE.

Accounting Period	12 Months to 31-12-2016	12 Months to 31-12-2017	12 Months to 31-12-2018	12 Months to 31-12-2019
ACE Hire Sales to Buckingham Group	£ 205,307	£1,136,204	£1,790,408	£1,849,148
ACE Hire Sales to External Customers	£2,519,716	£2,294,053	£2,585,434	£2,224,251
ACE Plant Total Hire Sales Revenues	£2,725,023	£3,430,257	£4,375,842	£4,073,399

The Summary Table also records Annual Hire Revenues which ACE Plant generated from hire activities with external customers excluding Buckingham Group Contracting Limited. It will be immediately obvious that although External Hire Revenues grew strongly during 2018, the following 12 months to 31st December 2019 saw an unexpected and unfortunate decline.

New Programme of Capital Investment in ACE Plant

The programme of new capital investment, which the new owners initiated in order to broaden the scope of the ACE Plant fleet of equipment, was fully underway during the second half of 2017. At just over £4.3m this amounted to a two-fold increase in capital expenditure compared with the previous 12 months to 31st December 2016 when Adams Cundell Engineers was still under its original ownership.

An additional £3.3m of new investment followed throughout the next 12 months to 31st December 2018 when further new lines such as Forward Tipping Dumpers, Rollers and mid-range Excavators were added to broaden the ACE Plant portfolio. The extent of new capital investment, following Buckingham's acquisition of the ACE Plant business is illustrated below, bench-marked against the level of capital investment made by the original Founding Directors during the 12 months to 31st December 2016, prior to the sale of ACE Plant.

Capital Invested during 12 Months to 31-12-16	Capital Invested during 12 months to 31-12-17	Capital Invested during 12 Months to 31-12-18	Capital Invested during 12 Months to 31-12-19
£ 1,831,466	£ 4,371,055	£ 3,312,258	£ 1,703,485

Having delivered their commitments in terms of new capital investment, the new owners expected to see an equitable improvement in the Company's performance with year-on-year growth in both external hire revenues and sales revenues derived from inter-company trading with Buckingham Group Contracting Limited.

The Directors also expected to see net profit margins being maintained within reasonable parameters during the 12 months to 31st December 2019.

The Summary Table at the top of page 8 shows that ACE Plant's collective total Hire Revenues increased by 27.6% during the 12 months to 31st December 2018, increasing from £3.43m in the 12 months to 31st December 2017 to £4.38m in 2018. This level of improvement was very much in line with the expectations of the new owners who expected to see this upward trend replicated during the 12 months to 31st December 2019.

Unhappily, although related party Hire Sales with Buckingham Group Contracting continued to grow, ACE Plant's external Hire Sales to external customers [excluding BGCL] went into reverse, shrinking by 14% or £361k during

BUCKINGHAM PLANT HIRE LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

the 12 months to 31st December 2019.

Collective total Hire Sales Revenues to all customers during the 12 months to 31st December 2019 fell back by just over £300k from £4,375,843 to £4,073,399 or 7% overall.

This impairment in external Hire Revenues is particularly disappointing in circumstances where the range of Plant Equipment available within the ACE Plant Fleet had been extended and enhanced so comprehensively as a result of massive capital investment.

The significance of this £361k decline in external Hire Sales revenues gives rise for concern, not only because the maximization of Hire Revenues is the life-blood of any Hire Business, but because it is reasonable to expect that any significant increase in hire earnings would produce an equivalent significant increase in the Company's bottom-line profits before Tax in a situation where equipment assets are sitting in the depot available to be hired out on a self-drive basis without any significant implications in terms of increasing the Company's direct operational costs.

This situation and the resultant shrinkage in the Company's profits should serve to focus attention on the fundamental principle that any Hire Business needs to maximise the opportunity to earn Hire Revenues as it's No. 1 priority.

Accounting Period	12 Months to 31.12.19	12 Months to 31.12.18	12 Months to 31.12.17	12 Months to 31.12.16
CATEGORY	£	£	£	£
Turnover – Total Sales Revenues	5,478,256	5,952,144	4,781,026	4,375,969
Net Profit Before Taxation	585,478	1,137,974	1,195,752	602,568
Net Profit Margin Against Turnover	10.68%	19.12%	25.01%	13.77%

The impact on the overall profitability of the business is clear to see. Profits during the 12 months to 31st December 2019 more or less halved, plummeting from £1,137,974 in the previous 12 months to 31st December 2018 to just £585,478 during the 12 months under review here.

Given the advantage of writing this report retrospectively, it is even more disappointing to have to report that the Company's failure to increase, or at very least to maintain, external hire revenues occurred well in advance of the beginning of the Corona Virus emergency.

At this juncture, it seems appropriate to focus further on the structure underlying the profits which ACE Plant has delivered over it's first three years of trading within Buckingham's ownership.

The Company's Sales revenues arise from three primary categories of business. Firstly, from Hire Activities where our equipment is hired to the Customer Base. Secondly, Sales Revenues generated from the design, manufacture and sale of bespoke machinery for specialist applications. And thirdly, from disposal sales of Asset Machinery which is being 'retired' from front-line service in our Hire Fleet.

BUCKINGHAM PLANT HIRE LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

Profits generated from disposal sales of Asset Machinery will always be an essential element within any business which owns and operates plant and equipment, particularly in circumstances where Asset Machinery is sold off at enhanced margins over net book value at the end of its useful life.

The Summary Table below provides an accurate illustration of the contribution which disposal sales of fixed machinery assets have made to the overall financial performance of ACE.

Accounting Period	12 Months to 31st December 2017	12 Months to 31st December 2018	12 Months to 31st December 2019
Total Sales Revenues	£4,781,026	£5,952,144	£5,478,256
Net Profit Before Tax	£1,195,752	£1,137,974	£585,478
Contribution to Net Profit From Asset Disposal Sales	£472,753	£298,424	£440,666
Percentage Contribution From Asset Disposals	40%	26%	75%

The business model which we operate at ACE Plant has always generated premium values from the disposal sale of Fixed Assets and the surplus profits which these disposal sales have consistently produced, year-on-year, have always made a significant contribution to the overall profit out-turn for the business.

Whilst it is acknowledged that the contribution to profits generated by disposal sales of fixed assets is an essential factor in the overall performance of the business, the extent to which a hire business relies on the sale of assets needs to be restricted within viable parameters.

It is patently obvious that profits from the sale of assets should be supplementary to the Company's primary source of earnings, which are hire revenues, and therefore it is essential that fixed assets are fully employed to earn hire revenues throughout their useful service life and only sold off after the Company has maximized every opportunity to earn hire revenues.

The foregoing Summary Table shows that during the 12 months to 31st December 2019 the contribution which Asset Sales made to the Company's overall financial performance was disproportionately high at 75% and there is general acknowledgment that we need to concentrate on increasing our future hire revenue earnings to restore a more sustainable balance within the business.

BUCKINGHAM PLANT HIRE LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

Performance of the Consolidated Plant Hire Group Including ACE Plant

The following Summary Table highlights the Consolidated Results which have been combined to include both Buckingham Plant Hire Ltd and ACE Plant – Adams Cundell Engineers Ltd together and which appear within the Consolidated Statement of Comprehensive Income on page 21 of these Financial Statements.

It should be noted that the Consolidated Group Results for the 12 months to 31st December 2016 only includes a two month contribution from ACE Plant following the acquisition which was completed on 1st November 2016. The subsequent Consolidated Group Results for the three years between 1st January 2017 and 31st December 2019 all represent full 12 months contributions from ACE Plant combined with Buckingham Plant Hire's results for the same periods.

Summary of Results over Three Years - Consolidated Group Combined

Accounting Period	12 Months to 31.12.19	12 months to 31.12.18	12 months to 31.12.17	12 months to 31.12.16
	£	£	£	
Turnover – Total Consolidated Sales Revenues	20,849,826	22,245,758	19,817,215	15,700,713
Consolidated Net Profit Before Taxation	1,360,614	2,579,951	2,244,534	1,344,929
Consolidated Net Margin Before Taxation	6.53%	11.60%	11.33%	8.57%

These Consolidated Results reflect the significant reduction in Net Profits Before Taxation experienced by both Plant Hire businesses during the 12 months to 31st December 2019.

BUCKINGHAM PLANT HIRE LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

Principal Risks & Uncertainties

The principal risks and uncertainties for a specialist Plant Hire business are fairly simple to identify and categorize. The primary risk which threatens future viability for any business reliant on Hire Revenues is the availability of dependable, economically-viable work opportunities. This factor becomes particularly critical where any Plant Hire business is engaged primarily in the "Spot Hire" sector.

Fortuitously, Buckingham Plant Hire does not operate as a "Spot Hire" Plant business, whereas ACE Plant does have to operate in the highly competitive "Spot Hire Sector".

"Spot Hire" sector businesses have to constantly promote their services and compete for whatever hire business is available within their region or territory, on a continuous daily basis, year on year and the twin demands of maintaining workload and maximizing utilization are real challenges for businesses such as ACE Plant. Businesses which operate in the competitive "Spot Hire Sector" will still enjoy some repeat business from established Client relationships but they are constantly exposed to the vicissitudes of the regional market and the risk that expensive plant and equipment might stand idle and un-utilized in their depots for lengthy periods during which they are unable to earn any revenue, but are still obligated to meet finance repayments.

Buckingham Plant Hire has a totally different 'modus operandi'. More than 90% of our annual turnover arises from long-term Contract agreements with just six individual corporate Clients, all of whom operate 'blue-chip' businesses. We do not, as a policy, pursue business in the "Spot Hire" sector. Consequently, we only purchase Plant Equipment in order to fulfill the specific, long-term requirements of any of our regular Term Rental Clients.

Although Buckingham Plant Hire's business model provides a much greater degree of certainty in terms of secured future workload it also has its own disadvantages and limitations.

For example, because we are effectively entering a technical service partnership with each of our term-hire Clients we have to deliver a much higher level of performance than most run-of-the-mill Plant Hire businesses would either recognize or have the capabilities to deliver.

Maintaining successful, long-term relationships with our Client base demands huge attention to detail and the provision of exceptional levels of service and support. Our Clients demand 100% reliability and in many instances they work the equipment we provide around the clock, 24 hours per day, seven days a week.

This necessitates unusually demanding requirements, such as the provision of resident Service Engineers stationed on our Client's operational sites, at no additional cost to the Client. We also have to provide, in many instances, spare stand-by machines at no additional charge. In the most critical circumstances, we guarantee 100% availability, backed by contractual agreements which would oblige us to pay substantial liquidated damages in the event that our failure to perform interrupts production or brings our Client's industrial processes to a halt.

It is also an inevitable consequence that the Plant Equipment we rent to Clients under any form of long-term hire agreement will, generally speaking, command rental rates which are significantly below those available in the "Spot Hire" sector. This is part of the 'trade-off' for securing any significant degree of guaranteed utilization.

It is an unfortunate factor of business competition that opportunities to expand our long-term rental business are few and far between and new term rental business is notoriously hard to win for a variety of reasons.

Currently, as we are entering the final 20 months of a six year term contract with British Sugar, terminating in August 2021 we are working assiduously to agree renewal terms for a further six year term which would extend our working partnership with British Sugar to a full 20 year relationship.

The obvious risk for Companies such as ours, operating in the Term Rental Market, is the loss or discontinuation of a substantial Contract. This can be even more significant in any circumstances where any single customer's annual expenditure has become disproportionately large.

BUCKINGHAM PLANT HIRE LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

Another principal risk to our business is undoubtedly the on-going involvement of key personnel, both within our Senior Management Team and within the Directorate. Whilst it would ordinarily be invidious to focus on the roles of specific key individuals within this report, it goes without saying that we have been particularly fortunate in having some immensely capable people in key positions within our organization and one key individual, in particular, stands out as deserving exceptional commendation as his service with Buckingham Plant Hire comes towards an end.

Mick Tye, who joined Buckingham Plant Hire as Plant Director in 2008 has a well-deserved reputation as one of the most experienced Heavy Plant experts in the UK. It would be no exaggeration to say that Mick Tye, with his wealth of expertise, his loyal and unwavering commitment and his sheer tenacity has been absolutely pivotal to the success of our business over the past 12 years. Mick will be retiring from the business in May 2021 and his larger-than-life influence and reliable judgement will be sorely missed.

Fortuitously, Mick's legacy looks in good shape to endure, in terms of the rigorous controls and systems which he has developed and instigated during his time as Plant Director. These control systems ensure that strict maintenance regimes are given unconditional priority to keep our Heavy Plant Fleet in first class operational order. The really good news is that Mick Tye has agreed to continue to stay on the Board as a non-Executive Director after he retires next year. In the meantime, Mick is busy selecting a worthy successor to take over in this extremely demanding role.

Ancillary Risks & Uncertainties

Other ancillary risks which could potentially threaten Buckingham Plant Hire's future viability include Supply Chain Prices, Liquidity and the availability of Affordable Credit Facilities.

In terms of Supply Chain Prices, our major capital commitments revolve around the capital cost of Heavy Plant Equipment. Interestingly, the past twelve years since 2008 have seen a series of inflationary 'spikes' in the capital cost of Heavy Plant. The prices of premium quality equipment from leading manufacturers such as Caterpillar and Volvo have increased by between 45% and 60% between 2008 and the beginning of 2020. Manufacturers have cited various significant increases in the costs of raw materials during this period and they have also incurred some considerable and genuine development costs as European Union Regulations have demanded ever-more stringent reductions in Carbon and Nitrogen Oxide emissions and cleaner fuel technologies within the performance criteria for diesel engines.

Over the past five years we have become involved in regular commercial dialogue with the leading manufacturers which indicate that hyper inflationary price increases are now less likely to occur and that we should be able to look forward to a relatively stable situation over the next few years.

Having said that, 'relatively stable' is still going to deliver annual capital cost inflation of Heavy Plant at around 5% per annum, always provided that value of the £ Sterling remains reasonably strong against the € Euro. If the value of £ Sterling falls significantly against the € Euro then UK capital costs of equipment manufactured in Europe are bound to come under increased pressure.

In terms of Liquidity, Cash-Flow and the availability of Affordable Credit, we are essentially, and inescapably, a capital-intensive business with on-going annual borrowing requirements which are unlikely to diminish significantly in future whilst we are maintaining or looking to increase our business volumes. Given this position, we are always going to be vulnerable to any exponential hikes in the cost of borrowing, although currently there seems little prospect of any significant increase in the Bank of England Base Rate after ten years of rate restraint below 1%.

Fortunately, both Buckingham Plant Hire and Adams Cundell Engineers are well-resourced, well-organized businesses with strong management and outstanding technical abilities supported by a solid Balance Sheet.

Running our plant businesses successfully is all about our technical capabilities and our ability to select, specify, purchase and diligently manage expensive and technically advanced equipment assets. Our collective abilities in these applications are widely recognized and respected throughout the Plant Industry.

BUCKINGHAM PLANT HIRE LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

Consequently, we have access to a wide range of financial institutions which are keen to fund our business, simply because we represent a very low level of risk compared with most mainstream Plant Hire businesses.

We also enjoy staunch and unwavering support from our Bankers at HSBC, who not only understand our businesses in a full and competent manner, but who deliver positive assistance and practical involvement in all aspects of our business activities.

Future Developments

Operating Plant Hire businesses successfully and maintaining sustainable margins in a highly competitive market sector, will always be a challenge but some encouraging prospects lie ahead.

Buckingham Plant Hire currently has an opportunity for some significant expansion within its Heavy Plant Fleet as a result of our 'sister Company' Buckingham Group Contracting having secured several new projects which include very significant elements of earthmoving activities.

These new projects are not only largescale in terms of the earthworks volumes involved but also in terms of programme duration. Having secured three major earthworks projects in the Midlands Region, plus a fourth Contract which looks certain to be confirmed on Humberside, Buckingham Group Contracting will have a sustained requirement to hire a substantial number of additional Heavy Plant machines over a prolonged period of between three to five years.

This provides a unique opportunity for Buckingham Plant Hire to invest in a very significant package of new Earthworks equipment. The initial package, which has been delivered during the second half of 2020, involves new capital investment of circa £7m and comprises 30 new 'heavy end' plant machines including Excavators, Dozers and Dump Trucks.

With further new opportunities ahead involving additional specialist Heavy Plant requirements for projects such as HS2 and the extension of the East – West Rail link between Oxford and Cambridge, inter-company requirements for Buckingham Plant Hire's Heavy Plant Fleet look solid for the foreseeable future.

At the same time, during the second half of 2020 Buckingham Plant has entered into a comprehensive Review and Tender Process to submit fresh proposals for a renewal of the Mobile Plant Contracts at all four of British Sugar's UK sugar beet processing factories. Buckingham Plant Hire has held British Sugar's Mobile Plant Contracts as their preferred supplier since 2008 and over that 12 year period our business structure has been specifically developed to support and deliver the very rigorous levels of service which British Sugar Plc demand from their Contractors.

The British Sugar Contracts have become an integral part of Buckingham Plant Hire's business model since 2008 and we will be fully engaged in seeking the best possible terms for a six year extension at renewal which is scheduled for September 2021.

As far as the Adams Cundell Engineers business is concerned, the primary challenge remains the issue of securing planning permission to relocate ACE Plant's operation from the current, original depot in Old Stratford, Milton Keynes to a new purpose-built facility at our Silverstone Road Head Office premises. It is quite incredible, and a thoroughly unsatisfactory situation, that we are still waiting for the new Buckinghamshire Council Unitary Authority to determine our Planning Application to move the ACE Plant Operation onto site at Silverstone Road more than two years after we submitted our original application.

Although we did perhaps underestimate the difficulties we would encounter as a consequence of our Silverstone Road premises being situated within the outer environs of Stowe's Grade 1 Listed Registered Park & Garden, the intransigent attitude of the Council's Heritage Officers, who have consistently avoided any meaningful engagement with us or with our professional representatives, has proved to be an almost insurmountable obstacle. The apparent reluctance of Buck's Planning Authority to deal with our application has been exasperated by virtue of the fact that our proposal involves change of use of an eminently suitable existing building which has stood empty and unutilized on the Silverstone Road site for the past six years.

BUCKINGHAM PLANT HIRE LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

Regrettably, until we can convince the Planning Officers of the merits of our proposal the ACE Plant relocation project will remain on hold.

In terms of ACE Plant's financial performance the objective is crystal clear. We need our Management Team at ACE to concentrate resources on re-building and developing their external hire revenues in order to reduce current dependencies on inter-company trading and asset sales.

Conclusion

In broad terms, the future success of our businesses relies upon the ability of Buckingham Plant Hire's executive management team to develop new opportunities in conjunction with ACE Plant's senior managers and to maintain on-going relationships with the existing customer base, whilst at the same time, seeking to expand Term Hire and Spot Hire business opportunities.

In spite of the rather disappointing out-turns experienced during the 12 months to 31st December 2019 our future prospects remain solid. Both Plant businesses are well equipped to maintain and manage their equipment and machinery assets and to maximise Sales Revenues within a diverse range of market sectors both businesses have benefitted from substantial injections of new capital investment which has placed them in a very favourable position to achieve improved results over the next three years.

It takes time and a great deal of skill and effort to build and expand the business whilst avoiding the risk of neglecting the demands and requirements of our existing Clients and we mustn't lose sight of this expedient.

The on-going policy of the Company's Directorate is to maintain and continuously improve the quality of our services, to pursue new initiatives which will position us ahead of our competitors and to consolidate our business model in order to strengthen the business financially and allow us to achieve modest growth in volumes whilst maintaining an acceptable level of profitability year on year.

In conclusion, future success relies on producing 'more of the same' whilst maintaining and developing our established, long-term business relationships. We are fortunate in having secured a wide range of long-term business opportunities which are both reliable and sustainable.

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



Mr P W Wheeler
Director

Date: 23 December 2020

BUCKINGHAM PLANT HIRE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The Directors present their report and the financial statements for the year ended 31 December 2019.

Directors' responsibilities statement

The Directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 applicable law and 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 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 for the Group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

The Group's principal activity is to specialise in the long-term hire of heavy plant and equipment and continuing day-to-day support and management of Buckingham Group Contracting's plant equipment requirements.

Results and dividends

The profit for the year, after taxation, amounted to £1,188,194 (2018 - £2,051,762).

The Directors do not propose a final dividend (2018 - £nil).

Directors

The Directors who served during the year were:

Mrs P J Wheeler
Mr P W Wheeler
Mr M Tye

BUCKINGHAM PLANT HIRE LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

Matters covered in the strategic report

As permitted by paragraph 1A of schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and reports) Regulations 2008 certain matters which are required to be disclosed in the Directors' Report have been omitted as they are included in the Group Strategic Report.

Disclosure of information to auditor

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

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

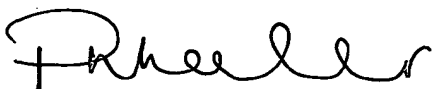
Post balance sheet events

COVID-19 has had a significant negative impact on the operations of the entity. However, the directors remain confident that the Group has both the financial and strategic means to overcome the challenges presented by COVID-19 and that the Group will continue to operate as a going concern.

Auditor

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

This report was approved by the board on 23 December 2020 and signed on its behalf.



Mr P W Wheeler
Director

BUCKINGHAM PLANT HIRE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BUCKINGHAM PLANT HIRE LIMITED

Opinion

We have audited the financial statements of Buckingham Plant Hire Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2018 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 31 December 2019 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor'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.

Emphasis of matter – Impact of the outbreak of COVID-19 on the financial statements

In forming our opinion on the company financial statements, which is not modified, we draw your attention to the Directors' view on the impact of the COVID-19 as disclosed on page 17, and the consideration in the going concern basis of preparation on page 28 and non-adjusting post balance sheet events on page 49.

Since the balance sheet date there has been a global pandemic from the outbreak of COVID-19. The potential impact of COVID-19 became significant in March 2020 and is causing widespread disruption to normal patterns of business activity across the world, including the UK.

The full impact following the recent emergence of the COVID-19 is still unknown. It is therefore not currently possible to evaluate all the potential implications to the company's trade, customers, suppliers and the wider economy.

BUCKINGHAM PLANT HIRE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BUCKINGHAM PLANT HIRE LIMITED

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 group's or the parent 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 the audit:

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, 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.

BUCKINGHAM PLANT HIRE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BUCKINGHAM PLANT HIRE LIMITED

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 16, 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 intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

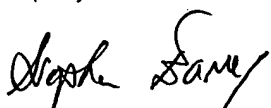
Auditor's responsibilities for the audit of the financial statements

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 www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit 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.



Stephen Eames (Senior statutory auditor)

for and on behalf of

Mazars LLP
Chartered Accountants and Statutory Auditor
The Pinnacle
160 Midsummer Boulevard
Milton Keynes
MK9 1FF

Date: 24 December 2020

BUCKINGHAM PLANT HIRE LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 £	2018 £
Turnover	4	20,849,826	22,245,758
Cost of sales		(13,030,238)	(13,072,150)
Gross profit		<u>7,819,588</u>	<u>9,173,608</u>
Administrative expenses		(6,193,190)	(6,255,864)
Other operating income	5	13,099	13,649
Operating profit	6	<u>1,639,497</u>	<u>2,931,393</u>
Interest receivable and similar income		74,917	9,997
Interest payable and expenses	11	(353,796)	(361,439)
Profit before tax		<u>1,360,618</u>	<u>2,579,951</u>
Tax on profit	12	(172,424)	(528,189)
Profit for the financial year		<u><u>1,188,194</u></u>	<u><u>2,051,762</u></u>
Other comprehensive income for the year			
Other comprehensive income		-	-
Total comprehensive income for the year		<u><u>1,188,194</u></u>	<u><u>2,051,762</u></u>
Profit for the year attributable to:			
Owners of the parent company		(1,188,194)	(2,051,762)
		<u><u>(1,188,194)</u></u>	<u><u>(2,051,762)</u></u>

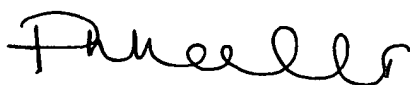
The notes on pages 27 to 49 form part of these financial statements.

BUCKINGHAM PLANT HIRE LIMITED
REGISTERED NUMBER: 00542721

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	13	228,571	342,857
Tangible assets	14	23,089,614	24,664,320
		<u>23,318,185</u>	<u>25,007,177</u>
Current assets			
Stocks	16	599,573	749,770
Debtors	17	4,651,434	4,489,925
Cash at bank and in hand	18	1,854,818	1,697,375
		<u>7,105,825</u>	<u>6,937,070</u>
Creditors: amounts falling due within one year	19	(9,286,900)	(9,103,068)
Net current liabilities		<u>(2,181,075)</u>	<u>(2,165,998)</u>
Total assets less current liabilities		<u>21,137,110</u>	<u>22,841,179</u>
Creditors: amounts falling due after more than one year	20	(7,620,801)	(10,611,947)
Provisions for liabilities			
Deferred taxation	24	(921,496)	(822,613)
		<u>(921,496)</u>	<u>(822,613)</u>
Net assets		<u><u>12,594,813</u></u>	<u><u>11,406,619</u></u>
Capital and reserves			
Called up share capital	25	1,000	1,000
Share premium account	26	10,102	10,102
Profit and loss account	26	12,583,711	11,395,517
		<u><u>12,594,813</u></u>	<u><u>11,406,619</u></u>

The Statement of Company Profit were approved and authorised for issue by the board and were signed on its behalf on 23 December 2020.



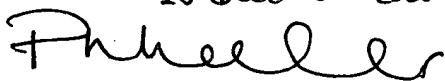
Mr P W Wheeler
Director

BUCKINGHAM PLANT HIRE LIMITED
REGISTERED NUMBER: 00542721

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	14	13,431,131	14,420,894
Investments	15	4,839,124	4,839,124
		<u>18,270,255</u>	<u>19,260,018</u>
Current assets			
Stocks	16	122,826	75,992
Debtors	17	3,522,227	3,224,710
Cash at bank and in hand	18	1,717,661	1,243,010
		<u>5,362,714</u>	<u>4,543,712</u>
Creditors: amounts falling due within one year	19	(6,760,243)	(6,246,008)
Net current liabilities		<u>(1,397,529)</u>	<u>(1,702,296)</u>
Total assets less current liabilities		<u>16,872,726</u>	<u>17,557,722</u>
Creditors: amounts falling due after more than one year	20	(6,385,565)	(7,846,451)
Provisions for liabilities			
Deferred taxation	24	(107,550)	(92,537)
		<u>(107,550)</u>	<u>(92,537)</u>
Net assets		<u>10,379,611</u>	<u>9,618,734</u>
Capital and reserves			
Called up share capital	25	1,000	1,000
Share premium account	26	10,102	10,102
Profit and loss account	26	10,368,509	9,607,632
		<u>10,379,611</u>	<u>9,618,734</u>

The Statement of Company Profit were approved and authorised for issue by the board and were signed on its behalf on 23 December 2020.



Mr P W Wheeler
Director

BUCKINGHAM PLANT HIRE LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital £	Share premium account £	Profit and loss account £	Equity attributable to owners of parent Company £	Total equity £
At 1 January 2018	1,000	10,102	9,343,755	9,354,857	9,354,857
Comprehensive income for the year					
Profit for the year	-	-	2,051,762	2,051,762	2,051,762
Total comprehensive income for the year	-	-	2,051,762	2,051,762	2,051,762
Total transactions with owners	-	-	-	-	-
At 1 January 2019	1,000	10,102	11,395,517	11,406,619	11,406,619
Total comprehensive income for the year					
Profit for the year	-	-	1,188,194	1,188,194	1,188,194
Total comprehensive income for the year	-	-	1,188,194	1,188,194	1,188,194
Total transactions with owners	-	-	-	-	-
At 31 December 2019	1,000	10,102	12,583,711	12,594,813	12,594,813

The notes on pages 27 to 49 form part of these financial statements.

BUCKINGHAM PLANT HIRE LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 January 2018	1,000	10,102	8,373,773	8,384,875
Comprehensive income for the year				
Profit for the year	-	-	1,233,859	1,233,859
Total comprehensive income for the year	-	-	1,233,859	1,233,859
Total transactions with owners	-	-	-	-
At 1 January 2019	1,000	10,102	9,607,632	9,618,734
Comprehensive income for the year				
Profit for the year	-	-	760,877	760,877
Total comprehensive income for the year	-	-	760,877	760,877
Total transactions with owners	-	-	-	-
At 31 December 2019	1,000	10,102	10,368,509	10,379,611

The notes on pages 27 to 49 form part of these financial statements.

BUCKINGHAM PLANT HIRE LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019 £	2018 £
Cash flows from operating activities		
Profit for the financial year	1,188,194	2,051,762
Adjustments for:		
Amortisation of intangible assets	114,286	114,286
Depreciation of tangible assets	5,279,230	5,014,294
Profit on disposal of tangible assets	(1,288,851)	(1,019,770)
Interest paid	353,796	361,439
Interest received	(74,917)	(9,997)
Taxation charge	172,424	528,189
Decrease/(increase) in stocks	150,197	(257,466)
(Increase) in debtors	(46,559)	(515,360)
Increase in creditors	760,471	133,233
Corporation tax (paid)	(466,999)	(451,565)
Net cash generated from operating activities	<u>6,141,272</u>	<u>5,949,045</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(4,855,327)	(7,925,450)
Sale of tangible fixed assets	2,439,654	2,578,207
Interest received	74,917	9,997
HP interest paid	(230,861)	(231,154)
Net cash from investing activities	<u>(2,571,617)</u>	<u>(5,568,400)</u>
Cash flows from financing activities		
Repayment of loans	(420,000)	(525,000)
Repayment of/new finance leases	(2,869,277)	50,442
Interest paid	(122,935)	(130,285)
Net cash used in financing activities	<u>(3,412,212)</u>	<u>(604,843)</u>
Net increase/(decrease) in cash and cash equivalents	157,443	(224,198)
Cash and cash equivalents at beginning of year	1,697,375	1,921,573
Cash and cash equivalents at the end of year	<u><u>1,854,818</u></u>	<u><u>1,697,375</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	1,854,818	1,697,375
	<u><u>1,854,818</u></u>	<u><u>1,697,375</u></u>

The notes on pages 27 to 49 form part of these financial statements.

BUCKINGHAM PLANT HIRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. General information

Buckingham Plant Hire Limited ("the Company") is a private company limited by shares, incorporated in England and Wales. The registered company number is 00542721. The address of its registered office and the principal place of business is Blackpit Farm, Silverstone Road, Stowe, Buckingham MK18 5LJ.

The Group's principal activity is to specialize in the long-term hire of Heavy Plant and Equipment to key strategic customers and to continue to support and manage Buckingham Group Contracting's day-to-day plant equipment requirements.

These financial statements have been prepared in Pounds Sterling (£) as this is the Group's functional currency, being the currency of the primary economic environment in which the Group operates.

Monetary amounts in these financial statements have been rounded to the nearest whole £.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

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

The following principal accounting policies have been applied:

2.2 Basis of consolidation

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

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

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 January 2014.

BUCKINGHAM PLANT HIRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.3 Going concern

The directors have considered the budgets and cash flow forecasts for the Group and have decided that the Group will be able to meet its liabilities as they fall due and so the financial statements have been prepared on a going concern basis. In making this assessment management have considered the possible effects of COVID-19 on the Group.

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

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

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

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated Statement of Comprehensive Income over its useful economic life of 5 years.

BUCKINGHAM PLANT HIRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.6 Tangible fixed assets

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

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using either the straight line or reducing balance method.

Depreciation is provided on the following basis:

Freehold property	-	4% on cost
Plant & machinery	-	20% on reducing balance
Motor vehicles	-	25% on cost
Fixtures & fittings	-	25% on cost
Other fixed assets	-	25% on cost

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

The depreciation expense is charged to the Statement of Comprehensive Income in administrative expenses.

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.8 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell.

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

2.9 Debtors

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

BUCKINGHAM PLANT HIRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

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

2.11 Financial instruments

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

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

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- at fair value with changes recognised in the Consolidated Statement of Comprehensive Income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

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

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

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

BUCKINGHAM PLANT HIRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

Financial instruments (continued)

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

2.12 Creditors

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

2.13 Finance costs

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

2.14 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

BUCKINGHAM PLANT HIRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.15 Current and deferred taxation

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

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

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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

2.16 Hire purchase liability

Assets obtained under hire purchase contracts are capitalised in the Balance Sheet and are depreciated over their estimated useful lives.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

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

Determining residual values and useful economic lives of plant, machinery and equipment

The Group depreciates tangible assets over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied by management. The actual lives of these assets can vary depending on a variety of factors, including product life cycles and maintenance programmes.

Judgement is applied by management when determining the residual values for plant, machinery and equipment. When determining the residual value management aim to assess the amount that the Group would currently obtain for the disposal of the asset, if it were already of the condition expected at the end of its useful economic life.

BUCKINGHAM PLANT HIRE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

4. Turnover

An analysis of turnover by class of business is as follows:

	2019 £	2018 £
Internal Hire Income	11,003,690	11,295,567
External Hire Income	7,230,244	7,804,957
Other Income	2,615,892	3,145,234
	<u>20,849,826</u>	<u>22,245,758</u>

All turnover arose within the United Kingdom.

5. Other operating income

	2019 £	2018 £
Other operating income	<u>13,099</u>	<u>13,649</u>

6. Operating profit

The operating profit is stated after charging:

	2019 £	2018 £
Depreciation of tangible fixed assets - owned assets	2,028,146	1,824,842
Depreciation of tangible fixed assets - HP agreements	3,251,084	3,189,452
Profit on disposal of fixed assets	<u>(1,288,851)</u>	<u>(1,019,770)</u>

7. Auditor's remuneration

	2019 £	2018 £
Fees payable to the Group's auditor for the audit of the Group's annual financial statements	<u>38,000</u>	<u>34,500</u>
Fees payable to the Group's auditor in respect of:		
Tax compliance services	8,750	7,800
All other services	<u>5,065</u>	<u>4,450</u>

BUCKINGHAM PLANT HIRE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

8. Employees

Staff costs, including Directors' remuneration, were as follows:

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Wages and salaries	5,904,245	6,349,177	4,712,300	4,943,755
Social security costs	623,609	645,443	497,089	518,541
Cost of defined contribution scheme	251,744	185,150	224,500	170,363
	<u>6,779,598</u>	<u>7,179,770</u>	<u>5,433,889</u>	<u>5,632,659</u>

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

	Group 2019 No.	Group 2018 No.	Company 2019 No.	Company 2018 No.
	<u>147</u>	<u>154</u>	<u>117</u>	<u>124</u>

9. Directors' remuneration

	2019 £	2018 £
Directors' emoluments	189,418	226,764
Company contributions to defined contribution pension schemes	9,985	11,738
	<u>199,403</u>	<u>238,502</u>

During the year retirement benefits were accruing to 3 Directors (2018 - 3) in respect of defined contribution pension schemes.

The highest paid Director received remuneration of £112,236 (2018 - £153,947).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £5,000 (2018 - £7,138).

10. Key management personnel

Key management personnel comprise the Directors of Buckingham Plant Hire Limited and Adams Cundell Engineers Limited. Their aggregate remuneration was £392,345 (2018 - £480,298).

BUCKINGHAM PLANT HIRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

11. Interest payable and similar expenses

	2019 £	2018 £
Bank interest payable	1	60
Other loan interest payable	92,934	100,285
Loans from related parties	30,000	30,000
Finance leases and hire purchase contracts	230,861	231,094
	<u>353,796</u>	<u>361,439</u>

12. Taxation

	2019 £	2018 £
Corporation tax		
Current tax on profits for the year	206,136	551,979
Adjustments in respect of previous periods	(132,595)	(17)
Total current tax	<u>73,541</u>	<u>551,962</u>
Deferred tax		
Origination and reversal of timing differences	98,883	(23,773)
Total deferred tax	<u>98,883</u>	<u>(23,773)</u>
Taxation on profit on ordinary activities	<u>172,424</u>	<u>528,189</u>

BUCKINGHAM PLANT HIRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

12. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2018 - higher than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
Profit on ordinary activities before tax	1,360,618	2,579,951
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	258,517	490,191
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	21,594	1,249
Differences in tax rates	(8,836)	2,797
Fixed asset differences	(50,186)	16,426
Adjustment in respect of prior periods	(132,595)	(17)
Capital gains	3,066	3,472
Non tax deductible amortisation of goodwill	21,714	21,711
Other tax adjustment reliefs and transfers	(3,410)	(7,640)
Losses carried back	40,053	-
Adjustment to deferred tax in respect of previous period	22,507	-
Total tax charge for the year	172,424	528,189

Factors that may affect future tax charges

There are no factors that will affect future tax charges.

The Finance Act 2020 enacted legislation to maintain the current rate of corporation tax at 19% up until at least the tax year ended April 2022.

BUCKINGHAM PLANT HIRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

13. Intangible assets

Group

	Goodwill £
Cost	
At 1 January 2019	571,429
At 31 December 2019	571,429
Amortisation	
At 1 January 2019	228,572
Charge for the year on owned assets	114,286
At 31 December 2019	342,858
Net book value	
At 31 December 2019	228,571
At 31 December 2018	342,857

BUCKINGHAM PLANT HIRE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

14. Tangible fixed assets

Group

	Freehold property £	Plant & machinery £	Motor vehicles £	Other fixed assets £	Total £
Cost or valuation					
At 1 January 2019	2,936,153	31,790,383	7,104,059	874,104	42,704,699
Additions	-	3,223,013	1,621,319	10,995	4,855,327
Disposals	-	(2,992,447)	(2,153,680)	(14,000)	(5,160,127)
At 31 December 2019	2,936,153	32,020,949	6,571,698	871,099	42,399,899
Depreciation					
At 1 January 2019	1,297,559	12,826,250	3,340,396	576,174	18,040,379
Charge for the year on owned assets	30,216	1,360,150	572,875	64,905	2,028,146
Charge for the year on financed assets	-	2,306,501	944,583	-	3,251,084
Disposals	-	(2,119,289)	(1,886,341)	(3,694)	(4,009,324)
At 31 December 2019	1,327,775	14,373,612	2,971,513	637,385	19,310,285
Net book value					
At 31 December 2019	1,608,378	17,647,337	3,600,185	233,714	23,089,614
At 31 December 2018	1,638,594	18,964,133	3,763,663	297,930	24,664,320

BUCKINGHAM PLANT HIRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

14. Tangible fixed assets (continued)

The net book value of land and buildings may be further analysed as follows:

	2019 £	2018 £
Freehold	1,608,378	1,638,594

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

	2019 £	2018 £
Plant and machinery	10,303,298	13,384,558
Motor vehicles	2,647,474	2,619,175
	12,950,772	16,003,733

BUCKINGHAM PLANT HIRE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

14. Tangible fixed assets (continued)

Company

	Freehold property £	Plant & machinery £	Motor vehicles £	Other fixed assets £	Total £
Cost or valuation					
At 1 January 2019	2,936,153	21,054,023	6,325,407	851,440	31,167,023
Additions	-	1,519,528	1,545,803	4,383	3,069,714
Disposals	-	(1,310,719)	(1,956,176)	(14,000)	(3,280,895)
At 31 December 2019	<u>2,936,153</u>	<u>21,262,832</u>	<u>5,915,034</u>	<u>841,823</u>	<u>30,955,842</u>
Depreciation					
At 1 January 2019	1,297,559	11,620,707	3,259,010	568,853	16,746,129
Charge for the year on owned assets	30,216	720,258	409,828	57,961	1,218,263
Charge for the year on financed assets	-	1,433,813	944,583	-	2,378,396
Disposals	-	(1,122,946)	(1,691,437)	(3,694)	(2,818,077)
At 31 December 2019	<u>1,327,775</u>	<u>12,651,832</u>	<u>2,921,984</u>	<u>623,120</u>	<u>17,524,711</u>
Net book value					
At 31 December 2019	<u><u>1,608,378</u></u>	<u><u>8,611,000</u></u>	<u><u>2,993,050</u></u>	<u><u>218,703</u></u>	<u><u>13,431,131</u></u>
At 31 December 2018	<u><u>1,638,594</u></u>	<u><u>9,433,316</u></u>	<u><u>3,066,397</u></u>	<u><u>282,587</u></u>	<u><u>14,420,894</u></u>

BUCKINGHAM PLANT HIRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

14. Tangible fixed assets (continued)

The net book value of land and buildings may be further analysed as follows:

	2019 £	2018 £
Freehold	1,608,378	1,638,594

The net book value of assets held under finance lease or hire purchase contracts included above are all follows:

	2019 £	2018 £
Plant & machinery	4,850,167	6,917,592
Motor vehicles	2,647,474	2,619,175
	7,497,641	9,536,767

15. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2019	4,839,124
At 31 December 2019	4,839,124

BUCKINGHAM PLANT HIRE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

15. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Adam Cundell Engineers Limited	Blackpit Farm, Silverstone Road, Stowe, Buckingham, MK18 5LJ	Plant Hire	Ordinary	100%
Adam Cundell Holdings Limited	Blackpit Farm, Silverstone Road, Stowe, Buckingham, MK18 5LJ	Holding company	Ordinary	100%

The aggregate of the share capital and reserves as at 31 December 2019 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(Loss) £
Adam Cundell Engineers Limited	6,822,216	541,661
Adam Cundell Holdings Limited	3,753,540	(59)

16. Stocks

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Consumables	599,573	749,770	122,826	75,992

Stock recognised in cost of sales during the year as an expense was £848,481 (2018 - £739,476).

There were no impairments of stocks during the year (2018 - £Nil).

BUCKINGHAM PLANT HIRE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

17. Debtors

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Due after more than one year				
Other debtors	110,000	110,000	110,000	110,000
Tax	27,500	27,500	27,500	27,500
	<u>137,500</u>	<u>137,500</u>	<u>137,500</u>	<u>137,500</u>
Due within one year				
Trade debtors	3,960,437	3,830,949	2,758,559	2,650,526
Amounts owed by group undertakings	-	-	300,000	100,000
Other debtors	114,950	-	-	-
Prepayments and accrued income	438,547	521,476	326,168	336,684
	<u>4,651,434</u>	<u>4,489,925</u>	<u>3,522,227</u>	<u>3,224,710</u>

18. Cash and cash equivalents

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Cash at bank and in hand	<u>1,854,818</u>	<u>1,697,375</u>	<u>1,717,661</u>	<u>1,243,010</u>

19. Creditors: Amounts falling due within one year

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Bank loans	420,000	420,000	420,000	420,000
Trade creditors	1,612,090	1,593,703	1,276,532	1,027,663
Corporation tax	27,672	306,181	27,672	254,078
Other taxation and social security	969,536	903,335	728,765	807,192
Obligations under finance lease and hire purchase contracts	5,042,200	5,340,332	3,118,245	3,299,228
Other creditors	44,434	9,324	37,052	-
Accruals and deferred income	1,170,968	530,193	1,151,977	437,847
	<u>9,286,900</u>	<u>9,103,068</u>	<u>6,760,243</u>	<u>6,246,008</u>

BUCKINGHAM PLANT HIRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

20. Creditors: Amounts falling due after more than one year

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Bank loans	2,415,000	2,835,000	2,415,000	2,835,000
Other loans	1,500,000	1,500,000	1,500,000	1,500,000
Net obligations under finance leases and hire purchase contracts	3,485,801	6,056,947	2,250,565	3,291,451
Preference shares	220,000	220,000	220,000	220,000
	<u>7,620,801</u>	<u>10,611,947</u>	<u>6,385,565</u>	<u>7,846,451</u>

Disclosure of the terms and conditions attached to the non-equity shares is made in note 25.

Secured Loans

The bank mortgage loan is secured by a first legal charge over the Company's freehold land and buildings together with a debenture including fixed charge over the property, a fixed charge over the other assets and a first floating charge over the assets.

The hire purchase liabilities are secured on the relevant assets.

BUCKINGHAM PLANT HIRE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

21. Loans

The details of the ageing of the loans are below;

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Amounts falling due within one year				
Bank loans	420,000	420,000	420,000	420,000
	<u>420,000</u>	<u>420,000</u>	<u>420,000</u>	<u>420,000</u>
Amounts falling due 1-2 years				
Bank loans	420,000	420,000	420,000	420,000
	<u>420,000</u>	<u>420,000</u>	<u>420,000</u>	<u>420,000</u>
Amounts falling due 2-5 years				
Bank loans	1,995,000	2,415,000	1,995,000	2,415,000
Other loans	1,500,000	1,500,000	1,500,000	1,500,000
	<u>3,495,000</u>	<u>3,915,000</u>	<u>3,495,000</u>	<u>3,915,000</u>
	<u><u>4,335,000</u></u>	<u><u>4,755,000</u></u>	<u><u>4,335,000</u></u>	<u><u>4,755,000</u></u>

22. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Within one year	5,042,200	5,340,332	3,118,245	3,299,228
Between 1-5 years	3,485,801	6,056,943	2,250,565	3,291,449
	<u><u>8,528,001</u></u>	<u><u>11,397,275</u></u>	<u><u>5,368,810</u></u>	<u><u>6,590,677</u></u>

BUCKINGHAM PLANT HIRE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

23. Financial instruments

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Financial assets				
Financial assets measured at fair value through profit or loss	1,854,818	1,697,375	1,717,661	1,243,010
Financial assets that are debt instruments measured at amortised cost	4,185,387	3,940,949	2,868,559	2,860,526
	<u>6,040,205</u>	<u>5,638,324</u>	<u>4,586,220</u>	<u>4,103,536</u>
Financial liabilities				
Financial liabilities measured at amortised cost	(15,910,499)	(18,205,499)	(12,389,371)	(12,731,189)

Financial assets measured at fair value through profit or loss comprise of cash and cash equivalents.

Financial assets that are debt instruments measured at amortised cost comprise of trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise of trade creditors, other creditors, accruals, obligations under hire purchase contracts, bank loans, related party loans and preference shares.

24. Deferred taxation

Group

	2019 £
At beginning of year	(822,613)
Charged to profit or loss	(98,883)
At end of year	<u>(921,496)</u>

BUCKINGHAM PLANT HIRE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

24. Deferred taxation (continued)

Company

	2019 £
At beginning of year	(92,537)
Charged to profit or loss	(15,013)
At end of year	(107,550)

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Accelerated capital allowances	(936,173)	(822,613)	(122,227)	(92,537)
Short term timing differences	14,677	-	14,677	-
	<u>(921,496)</u>	<u>(822,613)</u>	<u>(107,550)</u>	<u>(92,537)</u>

25. Share capital

	2019 £	2018 £
Shares classified as equity		
Authorised, allotted, called up and fully paid		
1,000 (2018 - 1,000) Called up ordinary shares shares of £1.00 each	<u>1,000</u>	<u>1,000</u>

	2019 £	2018 £
Shares classified as debt		
Authorised, allotted, called up and fully paid		
220,000 (2018 - 220,000) Redeemable preference share shares of £1.00 each	<u>220,000</u>	<u>220,000</u>

Ordinary shares carry an equal vote but no right to fixed income.

Preference shares carry no voting rights.

BUCKINGHAM PLANT HIRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

26. Reserves

Share premium account

This reserve represents the amount above the nominal value received for issued share capital less transaction costs.

Profit & loss account

This reserve represents cumulative profits and losses, less dividends paid.

27. Pension commitments

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £246,329 (2018 - £170,363). Contributions totalling £37,049 (2018 - £29,263) were payable to the fund at the Balance Sheet date.

28. Commitments under operating leases

At 31 December 2019 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2019 £	Group 2018 £
Later than 1 year and not later than 5 years	106,333	116,000

The Company had no commitments under the non-cancellable operating leases as at the Balance Sheet date.

BUCKINGHAM PLANT HIRE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

29. Related party transactions

During the year, the Group undertook the following transactions with Buckingham Group Contracting Limited, a company in which Mr Wheeler is a shareholder and director.

Sales during the year £8,413,483 (2018 - £11,402,192); year end debtor of £802,122 (2018 - £329,381).

Purchases during the year £64,754 (2018 - £1,368,718); year end creditor of £9,062 (2018 - £47,422).
At the year end a loan balance of £1,500,000 was due to Buckingham Group Contracting Limited (2018 - £1,500,000) plus interest accrued of £30,000 (2018 - £30,000).

Related Party Loans

At 31 December 2019 an amount of £nil (2018 - £82,959) was owed to Buckingham Plant Hire Limited by Blackpit Brewery Limited, a company in which D Wheeler, son of Paul Wheeler, is also a director and shareholder. During the year, an additional £nil has been provided in respect of this loan and included in administrative expenses (2018 - £9,371).

At 31 December 2019, Buckingham Plant Hire Limited was owed £110,000 (2018 - £110,000) by Mr S Wheeler (brother of director, Paul Wheeler). This is included within other debtors in the financial statements.

30. Post balance sheet events

COVID-19 has had a significant negative impact on the operations of the entity. However, the directors remain confident that the Group has both the financial and strategic means to overcome the challenges presented by COVID-19 and that the Group will continue to operate as a going concern.

31. Controlling party

The controlling party is Mr P W Wheeler, given his majority shareholding in the company.