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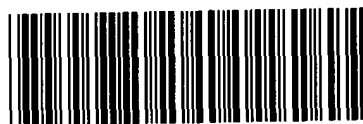
**BUCKINGHAM PLANT HIRE LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

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## BUCKINGHAM PLANT HIRE LIMITED

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### COMPANY INFORMATION

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

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## BUCKINGHAM PLANT HIRE LIMITED

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## BUCKINGHAM PLANT HIRE LIMITED

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### GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

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#### Introduction

The Directors are pleased to present the Strategic Report for the year ending 31 December 2017.

#### 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

	12 months to 31.12.17 £	12 months to 31.12.16 £	12 months to 31.12.15 £	12 months to 31.12.14 £	12 months to 31.12.13 £	12 months to 31.12.12 £
Turnover - Total Sales Revenues	15,141,086	14,992,674	14,640,012	13,345,081	12,518,042	11,947,794
Net Profit Before Taxation	1,163,532	1,110,185	1,171,591	771,193	743,173	309,956
Net Margin Before Taxation	7.69%	7.40%	8.00%	5.78%	5.94%	2.59%

#### Financial Review

As can be seen from the summary of Financial Performance over the past six years, our business has continued to achieve modest annual growth over time although the rate of growth during 2016 and 2017 has diminished significantly compared with the previous four years.

Total Sales Revenue Turnover in 2016 grew by just 2.4% compared with an average of 7% per annum across the previous four years, whilst in 2017 Sales increased by just 1% to £15.14m. These reductions in year on year growth reflect the impact of two, consecutive fore-shortened sugar beet processing Campaigns at British Sugar.

Our partnership with British Sugar, a division of Associated British Foods plc, involves us handling up to 10,000,000 tonnes of sugar beet and associated co-products across British Sugar's four UK factories during each Autumn / Winter period. Traditionally, these busy processing activities, commonly known as 'Campaigns', involve up to 50% of our Heavy Plant Fleet, working on a 24 hour – seven days a week basis for up to 23 weeks throughout the Autumn and Winter seasons between the end of September and the beginning of March.

Unfortunately, two consecutive abundant harvests in Europe and South America, coupled with the end of some long-term EEA price protection mechanisms, resulted in a very significant slump in world sugar prices and consequently British Sugar took the decision to reduce their production targets for both the 2015-16 Campaign and the 2016-17 Campaign in order to limit their exposure to a very uncertain market.

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## BUCKINGHAM PLANT HIRE LIMITED

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### GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

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As a result of these production restraints, both 'Campaigns' were restricted to just 17 weeks duration as opposed to the customary 23 weeks resulting in a very significant reduction in our British Sugar Hire Revenues in the first and final quarters of 2016 and the first quarter of 2017.

Our total Sales Revenues at British Sugar were £6.208m in 2016 and £6.564m in 2017 compared with realistic expectations projected at circa £7.5m if the 2016-17 Campaign had lasted for the customary 23 weeks duration. These earnings were all the more disappointing in light of the fact that our Equipment Rental Rates at British Sugar increased by around 8% in September 2017.

Our Contracts with British Sugar represent approximately 43% of our annual Plant & Labour Sales and therefore approximately 50% of our Administration and Overhead Costs are 'dedicated' to servicing British Sugar's requirements. Consequently, when our Sales Turnover at British Sugar falls away, as a result of extraneous influences, the impact on our net margin can be significant.

The Financial Performance Summary Table above illustrates reasonably consistent Net Margins Before Taxation across a three year period between 2015 and 2017 and these results are broadly in line with the out-turns we have become accustomed to expect from our operations in the Heavy Plant sector of the Equipment Hire Industry within the United Kingdom.

During the first six months of 2017 it became apparent that the UK market for used, but well-maintained, Heavy Plant Equipment was particularly strong and that demand was being fueled by the relative weakness of the £ GBP against the US \$. This combination of circumstances gave us the opportunity to generate unusually high margins on the disposal of retiring Heavy Plant Assets.

During 2017 we generated **£885,888** in the form of surplus profits above our written-down values, [NBV] of retiring Heavy Plant and Motor Vehicles. These surpluses, which we accumulated from a selection of UK Auction Sales, represented **76%** of our entire pre-tax profits of **£1,163,532** during 2017 and this is a factor which our Directors always need to examine in detail. During the corresponding 12 months to 31st December 2016, surplus profits realised above NBV from disposals of retiring assets contributed just over **39%** of our pre-tax profits of **£1,110,185**.

It is perhaps slight cause for concern that these disposal sales made such a significant contribution to our overall profits before taxation during 2017. Closer analysis indicates that the Company's operational activities contributed less than £300k in pre-tax profits from a turnover of £14.2m during the 12 months to 31st December 2017 – a pre-tax margin of around 2% which is well below expectations.

The extent of asset disposal sales during the 12 months to 31st December 2017, with a collective original cost value of £4.89m was above what we might regard as being the average in any single year. As at 31st December 2017 the Company held Heavy Plant assets with an original cost value of circa £21m plus Motor Vehicle assets with an original cost value of circa £6m. Combined together, this represents Plant and Vehicle assets held exclusively by Buckingham Plant Hire at an accumulative original cost value of circa £27m as at 31st December 2017. Under our current replacement programme the Company's Heavy Plant assets are retained on our fleet for an average of between 6 and 7 years, whilst the Motor Vehicles are retained for an average service life of between 3 and 4 years. This indicates that we should expect to have annual disposal sales of Plant and Motor Vehicles with a collective original cost value of around £4m **every year** as part and parcel of our capital replacement programmes.

Consistent generation of profits realized from disposal sales is a positive factor and an important element of our business model. We could have chosen to follow a different modus operandi whereby we would only retain Heavy Plant machines in our fleet for a maximum average of three years before changing them for new replacements. This would undoubtedly enable us to reduce our expenditure on repairs and maintenance substantially. However, the negative aspects arising from a three-year replacement model can be very significant.

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## BUCKINGHAM PLANT HIRE LIMITED

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### GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

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We very much prefer to stick with our adopted business model which consistently reduces our gearing ratio of borrowings versus the NBV of our Plant and Vehicle assets to around 50%.

Although the Company returned a marginal improvement in Pre-Tax Profits at 7.69% compared with 7.40% in 2016, Buckingham Plant Hire's 'stand-alone' profit for the year ending 31st December 2017, **after taxation**, amounted to £865,634 compared with £931,526 in the previous year to 31st December 2016. This decline in post-tax profit is largely attributable to recent reductions in Annual Capital Allowances for Plant and Machinery and the fact that our Corporate Tax liabilities are now being addressed on a 'Consolidated Group basis' since our acquisition of an associated Plant Hire business trading as ACE Plant, [Adams Cundell Engineers Ltd], in November 2016.

Following our acquisition of ACE Plant, HMRC treat both Companies as a 'Consolidated Group' and only one single Annual Investment Allowance is allocated which has to be shared between both businesses. In the year to 31st December 2017 the entire Annual Investment Allowance was allocated exclusively to Adams Cundell Engineers Ltd and consequently Buckingham Plant Hire's annual capital allowances were reduced by £200k resulting in an increased Corporation Tax liability and ergo a reduction in Buckingham Plant Hire's post taxation profits.

#### Summary of Results over Two Years since Acquisition of ACE - CONSOLIDATED GROUP

	12 months to 31.12.17 £	12 months to 31.12.16 £
Turnover - Total Consolidated Sales Revenues	19,817,215	15,700,713
Consolidated Net Profit Before Taxation	2,244,534	1,344,929
Consolidated Net Margin Before Taxation	11.326%	8.566%

**NB: THE ACE PLANT ACQUISITION DATE WAS 1st NOVEMBER 2016 – ONLY TWO MONTHS OF ACE PLANT'S YEAR 2016 ARE INCLUDED IN THE CONSOLIDATED GROUP RESULTS TO 31.12.16**

The foregoing Summary Table highlights the Consolidated Results which have been combined to include both Buckingham Plant Hire Ltd and ACE Plant – Adams Cundell Engineers Ltd which appear on page 12 of these Financial Statements.

It should be noted that the Consolidated Group Results to 31st December 2016 only include a two month contribution from ACE Plant following the acquisition which was completed on 31st October 2016. The 12 months Consolidated Group Results to 31st December 2017 include a full 12 months contribution from ACE Plant combined with Buckingham Plant Hire's results for the same period.

The enhancement of Consolidated Net Profits Before Taxation is clear to see.

**BUCKINGHAM PLANT HIRE LIMITED**

**GROUP STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**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.

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 2017 and compares these movements with the two preceding years.

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

<b><u>CATEGORY</u></b>	<b><u>AT 31.12.17 '£'</u></b>	<b><u>% CHANGE DURING YEAR 2016</u></b>	<b><u>AT 31.12.16 '£'</u></b>	<b><u>% CHANGE DURING YEAR 2015</u></b>	<b><u>AT 31.12.15 '£'</u></b>
Cost Value of Heavy Plant at Year End	20,864,477	← Down 1.99%	21,287,065	← Up 11.6%	19,075,717
Heavy Plant Additions (included) at Cost Value During Year	3,050,720	← Down 15.8%	3,625,058	← Up 44.3%	2,511,468
Heavy Plant Disposals (included) at Cost Value During Year	(3,474,208)	← Up 146%	(1,412,810)	← Down 14.5%	(1,653,094)
Profit on Heavy Plant (Only) Disposals During Year (Surpluses above Net Book Value)	639,184	← Up 128%	280,764	← Up 76.7%	158,860
Annual Heavy Plant (Only) Depreciation Charge For Year	2,156,209	← Up 13.0%	1,907,460	← Up 14.5%	1,666,148
Net Book Value of Heavy Plant held under Hire Purchase Contracts at Year End	7,160,527	← Up 2.78%	6,966,486	← Up 31.7%	5,288,317
Total Hire Purchase Debt Outstanding on Heavy Plant, held under Hire Purchase Agreements at Year End	4,823,320	← Down 3.25%	4,985,210	← Up 25.9%	3,958,681
Net Book Value of Heavy Plant Fleet at Year End	9,753,482	← Up 3.37%	9,435,142	← Up 16.7%	8,081,715
GEARING - Net Book Value of Heavy Plant Fleet versus Hire Purchase Borrowings	49%		53%		49%

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## BUCKINGHAM PLANT HIRE LIMITED

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### GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

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At 31st December 2017 we were operating 204 Heavy Plant machines in our fleet. This compares with a total of 216 Heavy Plant machines being operated as at 31st December 2016.

From this analysis it can be seen that during the year to December 31st 2017 we invested just over £3m in new Heavy Plant equipment compared with £3.6m in the previous 12 months to 31st December 2016. In view of the fact that our current Heavy Plant Fleet holding had an original collective cost value of circa £21m as at December 2017 and an average service life within our fleet of between 6 and 7 years, it can be projected that, without any ancillary business expansion, we would normally expect to incur annual scheduled replacement expenditure of just about £ 3m each year on a straight line average.

This helps to put the 12 months to 31st December 2017 into perspective and to demonstrate that our level of capital investment during 2017, at £3,050,720 was pretty much bang-on our normal expectations in terms of our rolling programme of Heavy Plant equipment replacement. The level of capital investment within our Heavy Plant Division in any particular year is cyclical and over any six year period in the Company's recent history one would expect to find annual average investment levels of between £2.5m and £3.5m per annum.

#### CAPITAL FINANCING & REPAYMENT POLICIES

Included within our 2017 investment programme were another three new 30 tonne Volvo A30 Articulated Dumptrucks each costing £204k, plus two 25 tonne Articulated Dumptrucks at £188k apiece and two CAT 24 tonne D6T Bulldozers at £225k each. All seven of these machines, with a combined capital cost of £1.438m, were financed over 5 years or 60 months, whereas our standard profile for Hire Purchase Agreements is to re-pay our borrowings over 3 years or 36 months.

We generally adopt a policy of financing any individual item of Heavy Plant with a price tag in excess of £200k over 60 months to avoid the obvious pressures of negative cash-flow. Articulated Dumptrucks are particularly expensive to buy but have a service life of at least 10 years within our Plant Fleet. It takes us a minimum of 7 years to earn enough money in hire charges to fully amortize a 30 tonne capacity Articulated Dumptruck so it makes good commercial sense to extend the repayment profile to 5 years or 60 months to avoid over-stretching the Company's cash reserves.

Inevitably, taking on substantial Hire Purchase borrowings over a longer repayment period has an impact upon the Company's gearing ratios. Clearly, during 2017, this situation applied to almost 50% of our total Heavy Plant investments within the year. Given this position, it is gratifying to see that the Company's Gearing Ratio reduced from 53% to 49% during the 12 months to 31st December 2017. This is a worthy commendation of our objective to amortize 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 at 31st December 2017, increased significantly by more than 10% to £4.93m compared with £4.45m exactly 12 months earlier at 31st December 2016.

As mentioned earlier in this Report it is encouraging to note that our programme of Heavy Plant Disposal Sales during 2017 continued to yield substantial profits, showing an increase of 128% when compared with the previous 12 months. This correlates directly with the increased value of Heavy Plant Disposals which we sent to Auction during the 12 months to 31st December 2017 which was up by 146% on the previous year.

Typically, surplus profits of between 40% and 60% in excess of Net Book Value were achieved regularly throughout the 12 months to 31st December 2017. Consistently profitable disposals of used Heavy Plant machines post retirement from our fleet not only reflect the judicious policy of only buying premium quality equipment, coupled with the rigorous standards of service and maintenance we operate, but also represents a valuable contribution to our annual operating margins.



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## BUCKINGHAM PLANT HIRE LIMITED

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### GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

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#### 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.

Fortunately, Buckingham Plant Hire does not operate as a "Spot Hire" Plant business. "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. They will 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 heavy 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 95% of our £15m 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 our 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.

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

In Buckingham Plant Hire's current situation we have two customers who currently account, more or less equally, for almost 85% of our annual sales revenues. Fortunately, one of the two accounts involves the provision of plant equipment and services to an Associated Company which is owned and controlled by Buckingham Plant Hire's Directors.

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## BUCKINGHAM PLANT HIRE LIMITED

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### GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

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The second major account is secured under a long-term contract which is currently guaranteed until 2021. This business relationship has been firmly established since 2008 and our two businesses are effectively "joined at the hip". It is always possible, of course, that something could go catastrophically wrong to de-rail the relationship but this seems an unlikely possibility in view of the rigorous measures we have in place to guarantee delivery of the highest standards of service and to provide and protect safe working practices in every activity we undertake. In addition to these safeguards, the Client's requirement for Plant equipment is perpetual and if anything, their demands will only increase over time.

In view of these current contractual arrangements, the Directors do not envisage any significant risk which might lead to a diminution of workload.

As mentioned earlier in this report, 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. It is fully recognized that having secured most of our existing contracts through until 2021 we now have a very solid platform upon which to build new business and this objective needs to become the top priority for the Directors over the next few years.

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 be invidious to focus on the roles of specific key individuals within this report, it goes without saying that we are particularly fortunate in having some immensely capable people in key positions within our organization.

We are developing a handful of younger executives who will be able to fill senior positions in the medium term, but in common with most low margin SME businesses we face the demographic risk of how we will be able to find competent and trustworthy people to replace key individuals.

Fortunately, the key technical Directors have no plans to shuffle off into retirement within the next ten years, so we hope that in the medium term at least, reasonable stability, in terms of our technical management expertise, is guaranteed.

#### 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 ten 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 40% and 50% between 2008 and the beginning of 2018. 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.

Since the beginning of 2014 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.

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## BUCKINGHAM PLANT HIRE LIMITED

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### GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

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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 there seems little prospect of any significant increase in the Bank of England Base Rate after nine years of rate restraint below 1%.

Fortunately, Buckingham Plant Hire is a well-resourced, well-organized business with strong management, outstanding technical abilities and a solid Balance Sheet.

Our business 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.

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 business in a full and competent manner, but who deliver positive assistance and practical involvement in all aspects of our business activities.

#### FUTURE DEVELOPMENTS

As mentioned earlier in this Report, on 31st October 2016 Buckingham Plant Hire acquired 100% of the share-holding of Adams Cundell Holdings Limited which gave us 100% ownership of its subsidiary business Adams Cundell Engineers Limited which trades under the name of ACE Plant.

The investment which Buckingham Plant Hire made in acquiring the ACE Plant business was jointly funded by HSBC Bank, supported by a £ 1.5m' related party' loan provided by Buckingham Group Contracting Limited. The full investment value of £4,839,124 is included within Buckingham Plant Hire's 'Stand Alone' Balance Sheet on Page 17 of these Financial Statements.

The structure and valuation analysis of the Ace Plant acquisition is set out within Note 16.

Our takeover of the ACE Plant business represents an exciting challenge and a genuine opportunity for Buckingham Plant Hire to develop a widely diverse, enlarged business group which has significant and divergent potential to grow and develop into a successful and profitable consolidated enterprise.

Our immediate objective since the acquisition was completed has been to develop a strong trading relationship between ACE Plant and our associated Construction business, Buckingham Group Contracting Limited. There was clearly plenty of potential to cultivate a mutually beneficial relationship between the two businesses as Buckingham Group regularly spends around £4.5m per annum hiring small plant and equipment from external specialist providers. Our initial aim was to divert a significant proportion of that annual expenditure across to ACE Plant over the first two years of ownership.

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## BUCKINGHAM PLANT HIRE LIMITED

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### GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

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It was always acknowledged that a reasonable proportion of Buckingham Group's annual small plant expenditure would need to remain with external providers as we recognized that ACE Plant, based in Milton Keynes, would be unable to compete with nationwide specialists, particularly given the cost of transport over long distances and where the duration of Buckingham Group's small plant requirements was relatively short-term.

It is gratifying to report that during the first 12 months to 31st December 2017 we made considerable progress in achieving our initial objective. In the previous 12 months to 31st December 2016 Buckingham Group placed business totalling £205,307 with ACE Plant. Twelve months later, by 31st December 2017, this total had burgeoned to £1,233,616 with plenty of prospects for additional growth in 2018.

ACE Plant is a well managed and soundly structured Company with a robust and reliable business plan. The 'joining together' of ACE Plant with Buckingham Plant is proving to be a mutually beneficial arrangement which can only become stronger over time. The next challenge is to get under way with re-development of our former equestrian buildings here at Head Office so that we can re-locate the entire ACE Plant operation onto this Site towards the middle of 2019.

#### CONCLUSION

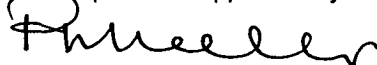
In broad terms, the future development of our business relies upon the ability of our executive management team to develop new opportunities in conjunction with ACE Plant's senior managers and to maintain on-going relationships with our existing customer base, whilst at the same time, seeking additional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

In conclusion, the future success of Buckingham Plant Hire relies on producing 'more of the same' and maintaining 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.

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.

This report was approved by the board on 25/09/18 and signed on its behalf.



**Mr P W Wheeler**  
Director

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## BUCKINGHAM PLANT HIRE LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

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The Directors present their report and the financial statements for the year ended 31 December 2017.

#### 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 judgments 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 Company'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 £1,728,800 (2016 - £1,038,343).

The directors do not propose a final dividend (2016 - £20,775).

#### Directors

The Directors who served during the year were:

Mrs P J Wheeler  
Mr P W Wheeler  
Mr M Tye

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**BUCKINGHAM PLANT HIRE LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**Disclosure of information to auditor**

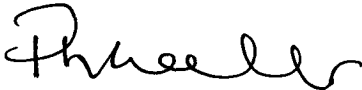
Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- 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.

**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 *25<sup>th</sup> September 2018* and signed on its behalf.



**Mr P W Wheeler**  
Director

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## BUCKINGHAM PLANT HIRE LIMITED

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

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#### Opinion

We have audited the financial statements of Buckingham Plant Hire Limited (the 'Company') for the year ended 31 December 2017 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 2017 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.

#### Conclusions relating to going concern

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

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

#### Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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## **BUCKINGHAM PLANT HIRE LIMITED**

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

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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.



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## BUCKINGHAM PLANT HIRE LIMITED

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

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#### Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 11, 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.

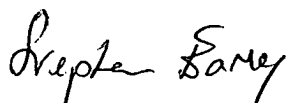
#### Auditor's responsibilities for the audit of the financial statements

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](http://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: 25 September 2018

**BUCKINGHAM PLANT HIRE LIMITED**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Note	2017 £	2016 £
Turnover	4	19,817,215	15,700,713
Cost of sales		(11,305,710)	(9,329,507)
<b>Gross profit</b>		<u>8,511,505</u>	<u>6,371,206</u>
Administrative expenses		(5,992,568)	(4,812,177)
Other operating income	5	53,559	59,766
<b>Operating profit</b>	6	2,572,496	1,618,795
Interest receivable and similar income		37,531	272
Interest payable and expenses	11	(365,493)	(274,138)
<b>Profit before tax</b>		<u>2,244,534</u>	<u>1,344,929</u>
Tax on profit	12	(515,734)	(306,586)
<b>Profit for the financial year</b>		<u><u>1,728,800</u></u>	<u><u>1,038,343</u></u>
<b>Other comprehensive income for the year</b>			
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<u><u>1,728,800</u></u>	<u><u>1,038,343</u></u>
<b>Profit for the year attributable to:</b>			
Owners of the parent company		(1,728,800)	(1,038,343)
		<u><u>(1,728,800)</u></u>	<u><u>(1,038,343)</u></u>

The notes on pages 22 to 45 form part of these financial statements.

**BUCKINGHAM PLANT HIRE LIMITED**  
**REGISTERED NUMBER: 00542721**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 DECEMBER 2017**

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Intangible assets	14	457,143	571,429
Tangible assets	15	23,311,601	20,299,310
		<u>23,768,744</u>	<u>20,870,739</u>
<b>Current assets</b>			
Stocks	17	492,304	326,740
Debtors	18	4,074,565	5,283,191
Cash at bank and in hand	19	1,921,573	1,145,204
		<u>6,488,442</u>	<u>6,755,135</u>
Creditors: amounts falling due within one year	20	(9,047,471)	(8,837,791)
<b>Net current liabilities</b>		<u>(2,559,029)</u>	<u>(2,082,656)</u>
<b>Total assets less current liabilities</b>		21,209,715	18,788,083
Creditors: amounts falling due after more than one year	21	(11,008,472)	(10,422,406)
<b>Provisions for liabilities</b>			
Deferred tax	25	(846,386)	(739,620)
		<u>(846,386)</u>	<u>(739,620)</u>
<b>Net assets</b>		<u>9,354,857</u>	<u>7,626,057</u>
<b>Capital and reserves</b>			
Called up share capital	26	1,000	1,000
Share premium account	27	10,102	10,102
Profit and loss account	27	9,343,755	7,614,955
		<u>9,354,857</u>	<u>7,626,057</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

*25 September 2018*

*P Wheeler*

**Mr P W Wheeler**  
Director

The notes on pages 22 to 45 form part of these financial statements.


**BUCKINGHAM PLANT HIRE LIMITED**  
**REGISTERED NUMBER: 00542721**

**COMPANY BALANCE SHEET**  
**AS AT 31 DECEMBER 2017**

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Tangible assets	15	14,793,345	14,400,797
Investments	16	4,839,124	4,839,124
		<u>19,632,469</u>	<u>19,239,921</u>
<b>Current assets</b>			
Stocks	17	104,521	110,627
Debtors	18	2,843,192	4,182,099
Cash at bank and in hand	19	1,263,367	698,354
		<u>4,211,080</u>	<u>4,991,080</u>
Creditors: amounts falling due within one year	20	(6,643,371)	(6,977,428)
<b>Net current liabilities</b>		<u>(2,432,291)</u>	<u>(1,986,348)</u>
<b>Total assets less current liabilities</b>		<u>17,200,178</u>	<u>17,253,573</u>
Creditors: amounts falling due after more than one year	21	(8,645,374)	(9,564,897)
<b>Provisions for liabilities</b>			
Deferred taxation	25	(169,929)	(169,434)
		<u>(169,929)</u>	<u>(169,434)</u>
<b>Net assets</b>		<u>8,384,875</u>	<u>7,519,242</u>
<b>Capital and reserves</b>			
Called up share capital	26	1,000	1,000
Share premium account	27	10,102	10,102
Profit and loss account	27	8,373,773	7,508,140
		<u>8,384,875</u>	<u>7,519,242</u>

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 profit after tax of the parent Company for the year was £865,634 (2016 - £409,240).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on



**Mr P W Wheeler**  
Director

*25 September 2018*

The notes on pages 22 to 45 form part of these financial statements.

**BUCKINGHAM PLANT HIRE LIMITED**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Called up share capital £	Share premium account £	Profit and loss account £	Equity attributable to owners of parent Company £	Total equity £
<b>At 1 January 2016</b>	1,000	10,102	6,597,387	6,608,489	6,608,489
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	1,038,343	1,038,343	1,038,343
Dividends: Equity capital	-	-	(20,775)	(20,775)	(20,775)
<b>Total transactions with owners</b>	-	-	(20,775)	(20,775)	(20,775)
<b>At 1 January 2017</b>	1,000	10,102	7,614,955	7,626,057	7,626,057
<b>Total comprehensive income for the year</b>					
Profit for the year	-	-	1,728,800	1,728,800	1,728,800
<b>Total transactions with owners</b>	-	-	-	-	-
<b>At 31 December 2017</b>	1,000	10,102	9,343,755	9,354,857	9,354,857

**BUCKINGHAM PLANT HIRE LIMITED**

**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
<b>At 1 January 2016</b>	1,000	10,102	6,597,387	6,608,489
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	931,528	931,528
<b>Total comprehensive income for the year</b>	-	-	931,528	931,528
<b>Contributions by and distributions to owners</b>				
Dividends: Equity capital	-	-	(20,775)	(20,775)
<b>Total transactions with owners</b>	-	-	(20,775)	(20,775)
<b>At 1 January 2017</b>	1,000	10,102	7,508,140	7,519,242
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	865,633	865,633
<b>Total comprehensive income for the year</b>	-	-	865,633	865,633
<b>Total transactions with owners</b>	-	-	-	-
<b>At 31 December 2017</b>	1,000	10,102	8,373,773	8,384,875

**BUCKINGHAM PLANT HIRE LIMITED**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

	2017 £	2016 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	1,728,800	1,038,343
<b>Adjustments for:</b>		
Amortisation of intangible assets	114,286	-
Depreciation of tangible assets	4,731,987	3,559,497
Profit on disposal of tangible assets	(1,359,120)	(466,575)
Interest paid	365,493	274,138
Interest received	(37,531)	(272)
Taxation charge	515,734	306,586
(Increase) in stocks	(165,564)	128,244
Decrease in debtors	1,208,626	(1,167,826)
(Decrease) in creditors	(896,549)	967,344
Corporation tax (paid)	(385,698)	(288,529)
<b>Net cash generated from operating activities</b>	<u>5,820,464</u>	<u>4,350,950</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(9,416,271)	(5,534,858)
Sale of tangible fixed assets	3,031,113	1,099,635
Purchase of fixed asset investments	-	(4,369,813)
Interest received	37,531	272
HP interest paid	(230,033)	(169,722)
<b>Net cash from investing activities</b>	<u>(6,577,660)</u>	<u>(8,974,486)</u>
<b>Cash flows from financing activities</b>		
New secured loans	-	4,500,000
Repayment of loans	(420,000)	(300,000)
Repayment of/new finance leases	2,089,025	996,467
Dividends paid	-	(20,775)
Interest paid	(135,460)	(104,416)
<b>Net cash used in financing activities</b>	<u>1,533,565</u>	<u>5,071,276</u>
<b>Net increase in cash and cash equivalents</b>	<u>776,369</u>	<u>447,740</u>

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**BUCKINGHAM PLANT HIRE LIMITED**

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**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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	<b>2017</b> <b>£</b>	<b>2016</b> <b>£</b>
Cash and cash equivalents at beginning of year	1,145,204	697,464
<b>Cash and cash equivalents at the end of year</b>	<u>1,921,573</u>	<u>1,145,204</u>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	1,921,573	1,145,204
	<u>1,921,573</u>	<u>1,145,204</u>



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## BUCKINGHAM PLANT HIRE LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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#### 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 judgment 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.

##### 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.

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## BUCKINGHAM PLANT HIRE LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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## 2. Accounting policies (continued)

### 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.

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## BUCKINGHAM PLANT HIRE LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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#### 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.

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**BUCKINGHAM PLANT HIRE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**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.

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## BUCKINGHAM PLANT HIRE LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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#### 2. Accounting policies (continued)

##### 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.

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.

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## BUCKINGHAM PLANT HIRE LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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#### 2. Accounting policies (continued)

##### 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 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

##### 2.15 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.

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## BUCKINGHAM PLANT HIRE LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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#### 2. Accounting policies (continued)

##### 2.16 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.

##### 2.17 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.

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**BUCKINGHAM PLANT HIRE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**4. Turnover**

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

	2017 £	2016 £
Internal Hire Income	5,386,520	5,322,186
External Hire Income	10,334,623	7,708,759
Other Income	4,096,072	2,669,769
	<u>19,817,215</u>	<u>15,700,714</u>

All turnover arose within the United Kingdom.

**5. Other operating income**

	2017 £	2016 £
Other operating income	53,559	59,766
	<u>53,559</u>	<u>59,766</u>

**6. Operating profit**

The operating profit is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets - owned assets	1,774,497	1,052,510
Depreciation of tangible fixed assets - HP agreements	2,957,490	2,506,865
Profit on disposal of fixed assets	(1,359,120)	(466,575)
	<u></u>	<u></u>

**7. Auditor's remuneration**

	2017 £	2016 £
Fees payable to the Group's auditor for the audit of the Group's annual financial statements	37,080	36,000
	<u></u>	<u></u>
<b>Fees payable to the Group's auditor in respect of:</b>		
Tax compliance services	3,605	7,000
All other services	2,750	7,200
	<u></u>	<u></u>



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**BUCKINGHAM PLANT HIRE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**8. Employees**

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

	<b>Group 2017 £</b>	<b>Group 2016 £</b>	<b>Company 2017 £</b>	<b>Company 2016 £</b>
Wages and salaries	5,750,405	4,532,522	4,712,822	4,532,522
Social security costs	606,327	468,935	490,354	468,935
Cost of defined contribution scheme	113,037	92,062	107,048	92,062
	<u>6,469,769</u>	<u>5,093,519</u>	<u>5,310,224</u>	<u>5,093,519</u>

The average monthly number of employees in the group, including the directors, during the year was as follows:

	<b>Group 2017 No.</b>	<b>Group 2016 No.</b>	<b>Company 2017 No.</b>	<b>Company 2016 No.</b>
	<u>148</u>	<u>122</u>	<u>122</u>	<u>118</u>

**9. Directors' remuneration**

	<b>2017 £</b>	<b>2016 £</b>
Directors' emoluments	214,500	137,600
Company contributions to defined contribution pension schemes	11,886	9,766
	<u>226,386</u>	<u>147,366</u>

During the year retirement benefits were accruing to 3 Directors (2016 - 3) in respect of defined contribution pension schemes.

The highest paid Director received remuneration of £147,000 (2016 - £78,400).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £6,581 (2016 - £4,910).

**10. Key management personnel**

Key management personnel comprise the directors of Buckingham Plant Hire Limited and Adams Cundell Engineers Limited. Their aggregate remuneration was £470,432 (2016: £185,680).

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**BUCKINGHAM PLANT HIRE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**11. Interest payable and similar charges**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Bank interest payable	5,463	52,616
Other loan interest payable	99,997	46,458
Loans from group undertakings	30,000	5,342
Finance leases and hire purchase contracts	230,033	169,722
	<u>365,493</u>	<u>274,138</u>

**12. Taxation**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Corporation tax</b>		
Current tax on profits for the year	408,968	315,321
Adjustments in respect of previous periods	-	56,394
	<u>408,968</u>	<u>371,715</u>
<b>Total current tax</b>	<u>408,968</u>	<u>371,715</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	106,766	(24,411)
Changes to tax rates	-	(40,718)
<b>Total deferred tax</b>	<u>106,766</u>	<u>(65,129)</u>
<b>Taxation on profit on ordinary activities</b>	<u>515,734</u>	<u>306,586</u>

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**BUCKINGHAM PLANT HIRE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**12. Taxation (continued)****Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2016 - higher than) the standard rate of corporation tax in the UK of 19.25% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	2,244,534	1,344,929
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20%)	432,073	268,986
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	1,657	2,185
Depreciation in excess of capital allowances	-	18,792
Differences in tax rates	(14,082)	(36,408)
Fixed asset differences	72,177	(3,600)
Adjustment in respect of prior periods	-	56,394
Capital gains	5,059	237
Deferred tax not recognised	202	-
Non tax deductible amortisation of goodwill	22,000	-
Other tax adjustment reliefs and transfers	(2,767)	-
Non-taxable income	(585)	-
<b>Total tax charge for the year</b>	<b>515,734</b>	<b>306,586</b>

**Factors that may affect future tax charges**

In the Finance Act 2016, further changes to the future rates of Corporation tax were enacted on 15 September 2016. Under this legislation, the rate of Corporation tax was reduced from 20% to 19% from April 2017 and further reduced to 17% from April 2020.

**13. Dividends**

	2017 £	2016 £
Interim dividends paid	-	20,775

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BUCKINGHAM PLANT HIRE LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017

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14. Intangible assets

Group

	Goodwill £
<b>Cost</b>	
At 1 January 2017	571,429
At 31 December 2017	<u>571,429</u>
<b>Amortisation</b>	
Charge for the year	114,286
At 31 December 2017	<u>114,286</u>
<b>Net book value</b>	
At 31 December 2017	<u>457,143</u>
At 31 December 2016	<u>571,429</u>

**BUCKINGHAM PLANT HIRE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**15. Tangible fixed assets**

**Group**

	Freehold property £	Plant & machinery £	Motor vehicles £	Other fixed assets £	Total £
<b>Cost or valuation</b>					
At 1 January 2017	2,936,153	27,081,481	5,978,239	710,544	36,706,417
Additions	-	7,421,775	1,897,919	96,577	9,416,271
Disposals	-	(5,171,434)	(1,449,177)	(5,300)	(6,625,911)
At 31 December 2017	<u>2,936,153</u>	<u>29,331,822</u>	<u>6,426,981</u>	<u>801,821</u>	<u>39,496,777</u>
<b>Depreciation</b>					
At 1 January 2017	1,117,659	11,880,483	2,904,992	503,973	16,407,107
Charge for the year on owned assets	93,447	1,146,581	481,746	52,723	1,774,497
Charge for the year on financed assets	-	1,989,040	968,450	-	2,957,490
Disposals	-	(3,689,486)	(1,259,394)	(5,038)	(4,953,918)
At 31 December 2017	<u>1,211,106</u>	<u>11,326,618</u>	<u>3,095,794</u>	<u>551,658</u>	<u>16,185,176</u>
<b>Net book value</b>					
At 31 December 2017	<u><u>1,725,047</u></u>	<u><u>18,005,204</u></u>	<u><u>3,331,187</u></u>	<u><u>250,163</u></u>	<u><u>23,311,601</u></u>
At 31 December 2016	<u><u>1,818,494</u></u>	<u><u>15,200,998</u></u>	<u><u>3,073,247</u></u>	<u><u>206,571</u></u>	<u><u>20,299,310</u></u>

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**BUCKINGHAM PLANT HIRE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**15. Tangible fixed assets (continued)**

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

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Freehold	1,725,047	1,818,495
	<u>1,725,047</u>	<u>1,818,495</u>

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

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Plant and machinery	7,160,527	6,966,486
Motor vehicles	2,920,890	2,852,568
Light plant & equipment	5,917,507	3,375,002
	<u>15,998,924</u>	<u>13,194,056</u>

**BUCKINGHAM PLANT HIRE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**15. Tangible fixed assets (continued)**

**Company**

	<b>Freehold property £</b>	<b>Plant &amp; machinery £</b>	<b>Motor vehicles £</b>	<b>Other fixed assets £</b>	<b>Total £</b>
<b>Cost or valuation</b>					
At 1 January 2017	2,936,153	21,287,965	5,854,546	693,031	30,771,695
Additions	-	3,050,720	1,704,032	91,426	4,846,178
Disposals	-	(3,474,208)	(1,423,005)	(5,300)	(4,902,513)
At 31 December 2017	<u>2,936,153</u>	<u>20,864,477</u>	<u>6,135,573</u>	<u>779,157</u>	<u>30,715,360</u>
<b>Depreciation</b>					
At 1 January 2017	1,117,659	11,852,823	2,897,142	503,274	16,370,898
Charge for the year on owned assets	93,447	727,243	424,078	46,101	1,290,869
Charge for the year on financed assets	-	1,428,966	968,450	-	2,397,416
Disposals	-	(2,898,037)	(1,234,093)	(5,038)	(4,137,168)
At 31 December 2017	<u>1,211,106</u>	<u>11,110,995</u>	<u>3,055,577</u>	<u>544,337</u>	<u>15,922,015</u>
<b>Net book value</b>					
At 31 December 2017	<u>1,725,047</u>	<u>9,753,482</u>	<u>3,079,996</u>	<u>234,820</u>	<u>14,793,345</u>
At 31 December 2016	<u>1,818,494</u>	<u>9,435,142</u>	<u>2,957,404</u>	<u>189,757</u>	<u>14,400,797</u>

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**BUCKINGHAM PLANT HIRE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**15. Tangible fixed assets (continued)**

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

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Freehold	1,725,047	1,818,495
	<u>1,725,047</u>	<u>1,818,495</u>

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

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Plant & machinery	7,160,527	6,966,486
Motor vehicles	2,920,890	2,852,568
Light plant & machinery	-	-
	<u>10,081,417</u>	<u>9,819,054</u>



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**BUCKINGHAM PLANT HIRE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**16. Fixed asset investments**

**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

<b>Name</b>	<b>Class of shares</b>	<b>Holding</b>	<b>Principal activity</b>
Adams Cundell Holdings Limited	Ordinary	100 %	Holding company
Adams Cundell Engineers Limited	Ordinary	100 %	Plant hire

<b>Name</b>	<b>Registered office</b>
Adams Cundell Holdings Limited	Blackpit Farm, Silverstone Road, Stowe, Buckingham, MK18 5LJ
Adams Cundell Engineers Limited	Blackpit Farm, Silverstone Road, Stowe, Buckingham, MK18 5LJ

The aggregate of the share capital and reserves as at 31 December 2017 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	<b>Aggregate of share capital and reserves £</b>	<b>Profit/(loss) £</b>
Adams Cundell Holdings Limited	3,753,657	-
Adams Cundell Engineers Limited	5,348,303	977,916
	<u>9,101,960</u>	<u>977,916</u>

**Company**

	<b>Investments in subsidiary companies £</b>
<b>Cost</b>	
At 1 January 2017	4,839,124
At 31 December 2017	<u>4,839,124</u>
<b>Net book value</b>	
At 31 December 2017	4,839,124
At 31 December 2016	<u>4,839,124</u>

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**BUCKINGHAM PLANT HIRE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**17. Stocks**

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Consumables	492,304	326,740	104,521	110,627

Stock recognised in cost of sales during the year as an expense was £611,943 (2016: £733,371).

There were no impairments of stocks during the year (2016: None).

**18. Debtors**

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
<b>Due after more than one year</b>				
Other debtors	110,000	126,615	110,000	126,615
Tax	27,500	27,500	27,500	27,500
	137,500	154,115	137,500	154,115
<b>Due within one year</b>				
Trade debtors	3,793,962	4,056,336	2,704,844	3,090,040
Other debtors	-	32,719	-	4,093
Prepayments and accrued income	143,103	1,040,021	848	933,851
	4,074,565	5,283,191	2,843,192	4,182,099

**19. Cash and cash equivalents**

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Cash at bank and in hand	1,921,573	1,145,204	1,263,367	698,354
	1,921,573	1,145,204	1,263,367	698,354

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**BUCKINGHAM PLANT HIRE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**20. Creditors: Amounts falling due within one year**

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Bank loans	420,000	-	420,000	-
Trade creditors	1,263,755	2,365,955	825,556	1,992,715
Corporation tax	305,784	282,514	194,219	198,503
Other taxation and social security	1,032,584	810,090	867,466	738,579
Obligations under hire purchase contracts	5,418,361	4,755,402	3,776,556	3,475,971
Other creditors	-	420	-	-
Accruals and deferred income	606,987	623,410	559,574	571,660
	<u>9,047,471</u>	<u>8,837,791</u>	<u>6,643,371</u>	<u>6,977,428</u>

**21. Creditors: Amounts falling due after more than one year**

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Bank loans	3,360,000	4,200,000	3,360,000	4,200,000
Related party loans	1,500,000	1,500,000	1,500,000	1,500,000
Net obligations under hire purchase contracts	5,928,472	4,502,406	3,565,374	3,644,897
Preference shares	220,000	220,000	220,000	220,000
	<u>11,008,472</u>	<u>10,422,406</u>	<u>8,645,374</u>	<u>9,564,897</u>

**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.

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**BUCKINGHAM PLANT HIRE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**22. Loans**

The details of the ageing of the loans are below;

	<b>Group 2017 £</b>	<b>Group 2016 £</b>	<b>Company 2017 £</b>	<b>Company 2016 £</b>
<b>Amounts falling due within one year</b>				
Bank loans	420,000	-	420,000	-
<b>Amounts falling due 1-2 years</b>				
Bank loans	420,000	1,200,000	420,000	1,200,000
	<u>420,000</u>	<u>1,200,000</u>	<u>420,000</u>	<u>1,200,000</u>
<b>Amounts falling due 2-5 years</b>				
Bank loans	2,940,000	3,000,000	2,940,000	3,000,000
Other loans	1,500,000	1,500,000	1,500,000	1,500,000
	<u>4,440,000</u>	<u>4,500,000</u>	<u>4,440,000</u>	<u>4,500,000</u>
	<u>5,280,000</u>	<u>5,700,000</u>	<u>5,280,000</u>	<u>5,700,000</u>

**23. Hire purchase and finance leases**

Minimum lease payments under hire purchase fall due as follows:

	<b>Group 2017 £</b>	<b>Group 2016 £</b>	<b>Company 2017 £</b>	<b>Company 2016 £</b>
Within one year	5,418,361	4,755,402	3,776,556	3,475,971
Between 1-5 years	5,928,472	4,502,406	3,565,373	3,644,897
	<u>11,346,833</u>	<u>9,257,808</u>	<u>7,341,929</u>	<u>7,120,868</u>

**BUCKINGHAM PLANT HIRE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**24. Financial instruments**

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
<b>Financial assets</b>				
Cash and cash equivalents	1,921,573	1,145,204	1,263,367	698,354
Financial assets that are debt instruments measured at amortised cost	3,793,962	4,215,670	2,704,844	3,220,748
	<u>5,715,535</u>	<u>5,360,874</u>	<u>3,968,211</u>	<u>3,919,102</u>
<b>Financial liabilities</b>				
Financial liabilities measured at amortised cost	18,717,579	(18,167,593)	14,227,060	(15,605,243)
	<u>18,717,579</u>	<u>(18,167,593)</u>	<u>14,227,060</u>	<u>(15,605,243)</u>

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.

**25. Deferred taxation**

**Group**

	2017 £
At beginning of year	(739,620)
Charged to profit or loss	(106,766)
<b>At end of year</b>	<u><u>(846,386)</u></u>

**BUCKINGHAM PLANT HIRE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**25. Deferred taxation (continued)**

**Company**

	<b>2017 £</b>			
At beginning of year				(169,434)
Charged to profit or loss				(495)
<b>At end of year</b>				<b>(169,929)</b>
	<b>Group 2017 £</b>	<b>Group 2016 £</b>	<b>Company 2017 £</b>	<b>Company 2016 £</b>
Accelerated capital allowances	(846,386)	(739,620)	(169,929)	(169,434)
	<u>(846,386)</u>	<u>(739,620)</u>	<u>(169,929)</u>	<u>(169,434)</u>

**26. Share capital**

	<b>2017 £</b>	<b>2016 £</b>
<b>Shares classified as equity</b>		
<b>Authorised, allotted, called up and fully paid</b>		
1,000 Called up ordinary shares shares of £1 each	<u>1,000</u>	<u>1,000</u>
	<b>2017 £</b>	<b>2016 £</b>
<b>Shares classified as debt</b>		
<b>Authorised, allotted, called up and fully paid</b>		
220,000 Redeemable preference share shares of £1 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.

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**BUCKINGHAM PLANT HIRE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**27. 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.

**28. 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 £113,037 (2016 - £92,062). Contributions totalling £16,321 (2016 - £11,515) were payable to the fund at the Balance Sheet date.

**29. Commitments under operating leases**

At 31 December 2017 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2017 £	Group 2016 £
Later than 1 year and not later than 5 years	174,000	174,000
	<u>174,000</u>	<u>174,000</u>

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

**30. Transactions with directors**

There were transactions during the year with director M Tye totalling £141 (2016 - £2,832). At the year end M Tye owed the company £169 (2016 - £632).

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## BUCKINGHAM PLANT HIRE LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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#### 31. Related party transactions

##### **Buckingham Group Contracting Limited**

A company in which Mr Wheeler is a shareholder and director.

Sales during the year £10,266,413 (2016 - £8,646,248); year end debtor of £1,572,648 (2016 - £1,447,925).

Purchases during the year £75,561 (2016 - £212,738); year end creditor of £37,001 (2016 - £78,650).

At the year end a loan balance of £1,500,000 was due to Buckingham Group Contracting (2016 - £1,500,000) plus interest accrued of £30,000 (2016 - £5,342).

##### **Related Party Loans**

At 31 December 2017 an amount of £73,588 (2016: £16,615) was owed to Buckingham Plant Hire Limited by Blackpit Brewery Limited, a company in which G Wheeler, son of Paul Wheeler, is also a director and shareholder. During the year, £73,588 has been provided in respect of this loan and included in administrative expenses.

At 31 December 2017, Buckingham Plant Hire Limited was owed £110,000 (2016: £110,000) by Mr S Wheeler (brother of director, Paul Wheeler). This is included within other debtors in the financial statements.

#### 32. Controlling party

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