

Carrylift Materials Handling Limited

Annual Report and Financial Statements

Year Ended

31 December 2020

Company Number 02221891



Carrylift Materials Handling Limited

Company Information

Directors	E Smyth N Cattell S Scott
Registered number	02221891
Registered office	3 Peel Road West Pimbo Skelmersdale Lancashire WN8 9PT
Independent auditor	BDO LLP 3 Hardman Street Manchester M3 3AT

Carrylift Materials Handling Limited

Contents

	Page
Strategic Report	1 - 2
Directors' Report	3 - 5
Directors' Responsibilities Statement	6
Independent Auditor's Report	7 - 9
Statement of Comprehensive Income	10
Statement of Financial Position	11
Statement of Changes in Equity	12
Notes to the Financial Statements	13 - 32

Carrylift Materials Handling Limited

Strategic Report For the Year Ended 31 December 2020

The Directors present their Strategic Report and audited financial statements for the year ended 31 December 2020.

Business review

Carrylift Materials Handling Limited has been established since 1988. It has a successful history in the materials handling sector providing a broad range of products to a wide variety of customers. Carrylift Materials Handling Limited provides all types of materials handling equipment ranging from counter-balance forklifts, warehouse equipment, racking and cleaning equipment to customers all over the UK.

Since 2010 it has formed part of the CorpAcq Group based in Manchester. Overall performance in 2020 was satisfactory – especially with the back drop of several lockdowns due to the coronavirus pandemic. The business is considered a fundamental part of the economy and its staff are classified as key workers. This resulted in many of the engineering and hire functions continuing throughout these lockdown periods, although at much reduced capacity. The coronavirus job protection scheme was of benefit during the year. The first lockdown in March 2020 was very different to the second and third lockdowns later in the year. Many businesses which had closed in the first lockdown remained open (on reduced capacity) in later lockdowns. As a result of the first lockdown, turnover across all areas of the business was severely affected. The second half of the year saw significant improvements in all revenue streams.

It was deemed critical that Carrylift maintained its cash reserves during 2020 and several decisions were made to ensure this resource was protected. A series of cost reduction exercises saw the closure of one depot and both reductions in staffing levels and reduced working hours. Investment in fixed assets continued, albeit at a lower rate and stock levels were reduced to improve cash reserves. Some redundancy costs were incurred but the overall result has been to place Carrylift in a much stronger position to address any future lockdowns, and to improve our margins.

The order book at year end remains strong with over £2.4m of orders in hand not yet delivered. A new freehold property was purchased in Gloucester, reflecting our confidence in our southern depots improved performance.

Overall cash position remains very strong, and expectations for 2021 remain positive.

Carrylift Materials Handling Limited invested to renew its hire fleet, driving down the average age of its trucks, improving reliability and hence customer satisfaction.

Financial key performance indicators

The key performance indicators are judged to be critical to the business and its reputation with its customer base. Breakdown response time is a key factor in customer satisfaction and this underlines our focus on being a service driven organisation. Detailed analysis of both our own fleet and our customers' trucks data throughout 2020 demonstrated that we met and exceeded the franchise targeted response time of 4 hours.

A second KPI for the business is its hire fleet utilisation – this averaged 68.3% during the year, a further improvement over 2019. The reduction in available stock levels and improved hire revenue towards the end of the year helped improve this figure.

Principal risks and uncertainties

The primary risk to the business lies with the larger manufacturers discounting new machinery and competition from other smaller operators. A well established management team, continued investment in our fleet and a focus on customer service will mitigate these factors.

The Directors believe that the quality of our products, our commitment to customer service allied to an experienced and dedicated workforce will help Carrylift Materials Handling Limited stay as one of the leaders in its marketplace. Furthermore we anticipate continued growth and good trading results in the coming year.

Carrylift Materials Handling Limited

Strategic Report (continued) For the Year Ended 31 December 2020

Future developments

The Directors continue to expect an improvement in the general level of activity for 2021. The impact of the coronavirus pandemic is receding and the level of uncertainty over the impact of Brexit is also reducing. New stock levels will be improved over 2021 and our existing good, quality second hand equipment will continue to meet customer demands.

Post balance sheet events

Since the reporting date, the UK has entered into subsequent lockdowns that have affected companies across the UK and the full impact and duration of the COVID-19 pandemic remains difficult to predict. At the date of approving the financial statements, the Directors remain optimistic for the future period of trade, despite the risks and uncertainties referred to in the Strategic Report. Aside from the ongoing impact of COVID-19, there have been no significant events affecting the company since the year end.

This report was approved by the board on

26th July 2021

and signed on its behalf.



E Smyth
Director

Carrylift Materials Handling Limited

Directors' Report For the Year Ended 31 December 2020

The Directors present their report and the audited financial statements for the year ended 31 December 2020.

Results and dividends

The profit for the year, after taxation, amounted to £1,104,558 (2019 - £271,454).

No interim dividend was paid in the year (2019: £Nil) to the shareholder. The Directors do not recommend any final dividends (2019: £Nil).

Directors

The Directors who served during the year were:

E Smyth
N Cattell
S Scott

Going concern

At the time of writing this report, both the UK and the World continue to face challenges with fighting the COVID 19 pandemic and the economic uncertainty that has been created. However the introduction of several vaccines, and experience gained during 2020 should lead to some resumption of normal activities in 2021. During the year Carrylift Materials Handling Limited has continued to trade and its Directors are committed to ensuring employees' safety and wellbeing whilst also continuing to meet customer demand. The cash position is very healthy with a strong supplier and customer network which the Directors are confident will help the Company through this difficult period. During both lockdowns, the company remained fully operational. Significant numbers of staff were placed on furlough during the first lockdown, however the vast majority have now returned to employment and only small numbers remain on flexible furlough.

Although COVID 19 had a negative effect on turnover, the Directors of Carrylift Materials Handling Limited have taken steps to mitigate this. The business has been restructured to manage the situation and ensure its longer term objectives can be met. These mitigating steps included making a number of redundancies, closing the Boston depot, closing the transport functions in the South of England and reducing investment in certain areas. Collectively this has reduced overheads by £1.25m per year.

The care and well-being of our employees is paramount and we have invested in both physical PPE and electronic solutions to combat the challenges the company faces. The company has both available stock, a healthy order bank and cash reserves to ensure future profit beyond the current financial year. Turnover in service and hire departments has recovered to virtually pre Covid levels, whilst overheads have been reduced significantly. Stress testing has been conducted and considered, taking into account the potential business disruptions and reductions in revenue over the coming months. The Directors have a good expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the annual financial statements.

Carrylift Materials Handling Limited

Directors' Report (continued) For the Year Ended 31 December 2020

Financial risk management objectives and policies

The Company's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The Company does not use derivative financial instruments for speculative purposes.

The Company is a franchised dealer of TCM products and hence is reliant on the manufacturers for support and pricing. There is a close working relationship between both entities. Both parties look for opportunities to work together to increase market share.

Cash flow risk

The Company's cash flow risk is relatively low due to low levels of finance within the business. Interest bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows.

Credit risk

The Company's principal financial assets are fixed assets, cash bank balances, trade and other receivables, and investments.

The Company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. The Company focuses heavily on its cash position and looks to reduce any exposure to bad debt. Regular reviews of the trade debtor position ensures any potential debt issues are addressed and resolved at the earliest opportunity.

The Company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Company uses a mixture of long-term and short-term debt finance.

Further details regarding liquidity risk can be found in the accounting policies in the financial statements.

Political contributions

No political contributions were made in the year.

Qualifying third party indemnity provisions

The Company has qualifying third party insurance provisions in place to provide indemnity cover for Directors and officers of the Company both during the financial year and up to the date of signing of these financial statements.

Matters covered in the Strategic Report

In accordance with section 414C(11) of the Companies Act, certain matters required to be detailed in the Directors' Report are detailed in the Strategic Report where the Director considers them to be of strategic importance to the Company.

Carrylift Materials Handling Limited

Directors' Report (continued) For the Year Ended 31 December 2020

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'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's auditor is aware of that information.

Auditor

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

This report was approved by the board on

26th July 2021

and signed on its behalf.



E Smyth
Director

Carrylift Materials Handling Limited

Directors' Responsibilities Statement For the Year Ended 31 December 2020

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

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

In preparing these financial statements, the Directors are required to:

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Carrylift Materials Handling Limited

Independent Auditor's Report to the Members of Carrylift Materials Handling Limited

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Carrylift Materials Handling Limited ("the Company") for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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

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

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

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

Other information

The Directors are responsible for the other information. The other information comprises the information 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. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Carrylift Materials Handling Limited

Independent Auditor's Report to the Members of Carrylift Materials Handling Limited (continued)

Other Companies Act 2006 reporting

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 Directors' report has been prepared in accordance with applicable legal requirements.

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

Responsibilities of Directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding and accumulated knowledge of the Company and the sector in which it operates we considered the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud and whether such actions or non-compliance might have a material effect on the financial statements. These included but were not limited to those that relate to the form and content of the financial statements, such as the Company accounting policies, the financial reporting framework and the UK Companies Act 2006. All team members were briefed to ensure they were aware of any relevant regulations in relation to their work.

Carrylift Materials Handling Limited

Independent Auditor's Report to the Members of Carrylift Materials Handling Limited (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in accounting estimates as well as inappropriate revenue cut-off. Our audit procedures included, but were not limited to:

- Agreement of the financial statement disclosures to underlying supporting documentation;
- Identifying and testing journal entries, with a focus on manual journals to revenue, unusual account combinations and journals indicating large or unusual transactions based on our understanding of the business;
- Testing a sample of revenue recognised either side of the period end to ensure revenue has been recognised in the correct period;
- Challenging assumptions, accounting estimates and judgements made by the Directors, particularly in relation to provisions for slow moving stock and bad and doubtful debts;
- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Obtaining an understanding of the control environment in monitoring compliance with laws and regulations

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion.


There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

DocuSigned by:

1FED37567912473...

Graham Ellis (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Manchester
United Kingdom

Date: 26 July 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Carrylift Materials Handling Limited

Statement of Comprehensive Income For the Year Ended 31 December 2020

	Note	2020 £	2019 £
Turnover	4	19,473,252	23,633,246
Cost of sales		(9,754,702)	(11,218,714)
Gross profit		9,718,550	12,414,532
Administrative expenses		(9,261,812)	(10,032,438)
Other operating income	5	866,708	-
Operating profit	6	1,323,446	2,382,094
Income from shares in group undertakings		17,242	-
Interest receivable and similar income	10	7,024	5,777
Interest payable and similar expenses	11	(96,317)	(547,134)
Profit before tax		1,251,395	1,840,737
Tax on profit	12	(146,837)	(1,569,283)
Profit for the financial year attributable to the equity holders of the company		1,104,558	271,454
Other comprehensive income for the year			
Unrealised surplus on revaluation of tangible fixed assets		-	2,299,657
Movement of deferred tax on revaluation		-	(266,965)
Other comprehensive income for the year		-	2,032,692
Total comprehensive income for the year attributable to the equity holders of the company		1,104,558	2,304,146


The notes on pages 13 to 32 form part of these financial statements.

Carrylift Materials Handling Limited
Registered number:02221891

Statement of Financial Position
As at 31 December 2020

	Note	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Intangible Assets	13		727,448		835,218
Fixed Asset Investments	14		1,000		902,102
Tangible assets	15		11,132,779		11,126,585
			<u>11,861,227</u>		<u>12,863,905</u>
Current assets					
Stocks	16	1,603,421		2,950,246	
Debtors: amounts falling due within one year	17	16,781,302		16,170,822	
Cash at bank and in hand		3,358,981		1,431,428	
		<u>21,743,704</u>		<u>20,552,496</u>	
Creditors: amounts falling due within one year	18	(23,699,546)		(24,377,162)	
Net current liabilities			<u>(1,955,842)</u>		<u>(3,824,666)</u>
Total assets less current liabilities			<u>9,905,385</u>		<u>9,039,239</u>
Creditors: amounts falling due after more than one year	19		(1,207,695)		(1,322,553)
Deferred tax	21		(49,817)		(173,371)
Net assets			<u><u>8,647,873</u></u>		<u><u>7,543,315</u></u>
Capital and reserves					
Called up share capital	22		161,110		161,110
Revaluation reserve	23		2,032,692		2,032,692
Profit and loss account	23		6,454,071		5,349,513
Total shareholders' funds'			<u><u>8,647,873</u></u>		<u><u>7,543,315</u></u>

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



E Smyth
Director

26/3/21

The notes on pages 13 to 32 form part of these financial statements.

Carrylift Materials Handling Limited

Statement of Changes in Equity For the Year Ended 31 December 2020

	Called up share capital £	Revaluation reserve £	Profit and loss account £	Total equity £
At 1 January 2020	161,110	2,032,692	5,349,513	7,543,315
Comprehensive income for the year				
Profit for the year	-	-	1,104,558	1,104,558
Total comprehensive income for the year	-	-	1,104,558	1,104,558
At 31 December 2020	161,110	2,032,692	6,454,071	8,647,873

Statement of Changes in Equity For the Year Ended 31 December 2019

	Called up share capital £	Revaluation reserve £	Profit and loss account £	Total equity £
At 1 January 2019	161,110	-	5,078,059	5,239,169
Comprehensive income for the year				
Profit for the year	-	-	271,454	271,454
Surplus on revaluation of freehold property	-	2,299,657	-	2,299,657
Deferred tax movement	-	(266,965)	-	(266,965)
Other comprehensive income for the year	-	2,032,692	-	2,032,692
Total comprehensive income for the year	-	2,032,692	271,454	2,304,146
At 31 December 2019	161,110	2,032,692	5,349,513	7,543,315

The notes on pages 13 to 32 form part of these financial statements.

Carrylift Materials Handling Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

1. General information

Carrylift Materials Handling Limited is a private company, limited by shares, incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the Company Information page. The nature of the Company's operations and its principal activities are outlined in the Strategic Report.

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 Company's presentation currency is pounds sterling and amounts presented in these financial statements are rounded to the nearest pound.

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

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of CorpAcq Limited as at 31 December 2020 and these financial statements may be obtained from 1 Goose Green, Altrincham, Cheshire, England, WA14 1DW.

2.3 Exemption from preparing consolidated financial statements

Subsidiary undertakings have not been consolidated by Carrylift Materials Handling Limited as permitted by s.400 of the Companies Act 2006 as they are consolidated in the financial statements of CorpAcq Limited.

Carrylift Materials Handling Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

2. Accounting policies (continued)

2.4 Going concern

At the time of writing this report, both the UK and the World continue to face challenges with fighting the COVID 19 pandemic and the economic uncertainty that has been created. However the introduction of several vaccines, and experience gained during 2020 should lead to some resumption of normal activities in 2021. During the year Carrylift Materials Handling Limited has continued to trade and its Directors are committed to ensuring employees' safety and wellbeing whilst also continuing to meet customer demand. The cash position is very healthy with a strong supplier and customer network which the Directors are confident will help the Company through this difficult period. During both lockdowns, the company remained fully operational. Significant numbers of staff were placed on furlough during the first lockdown, however the vast majority have now returned to employment and only small numbers remain on flexible furlough.

Although COVID 19 had a negative effect on turnover, the Directors of Carrylift Materials Handling Limited have taken steps to mitigate this. The business has been restructured to manage the situation and ensure its longer term objectives can be met. These mitigating steps included making a number of redundancies, closing the Boston depot, closing the transport functions in the South of England and reducing investment in certain areas. Collectively this has reduced overheads by £1.25m per year.

The care and well-being of our employees is paramount and we have invested in both physical PPE and electronic solutions to combat the challenges the company faces. The Company has both available stock, a healthy order bank and cash reserves to ensure future profit beyond the current financial year. Turnover in service and hire departments has recovered to virtually pre Covid levels, whilst overheads have been reduced significantly. Stress testing has been conducted and considered, taking into account the potential business disruptions and reductions in revenue over the coming months. The Directors have a good expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the annual financial statements.

2.5 Turnover

Turnover is stated net of VAT and trade discounts and is recognised when the significant risks and rewards are considered to have been transferred to the buyer. Turnover from the sale of goods is recognised when the goods are physically delivered to the customer. Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the fair value of the consideration received or receivable. Where a contract has only been partially completed at the balance sheet date turnover represents the fair value of the service provided to date based on the stage of completion of the contract activity at the balance sheet date. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

2.6 Foreign currency translation

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

Exchange differences are recognised in profit or loss in the period in which they arise.

Carrylift Materials Handling Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

2. Accounting policies (continued)

2.7 Operating leases: the Company as lessor

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

2.8 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Statement of Comprehensive Income at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

2.9 Borrowing costs

Borrowing costs which are directly attributable to the construction of tangible fixed assets are capitalised as part of the cost of those assets. Capitalisation begins when both finance costs and expenditures for the asset are being incurred and activities that are necessary to get the asset ready for use are in progress. Capitalisation ceases when substantially all the activities that are necessary to get the asset ready for use are complete.

2.10 Pensions

Defined contribution pension plan

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

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

Carrylift Materials Handling Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

2. Accounting policies (continued)

2.11 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the 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 reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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 reporting date.

2.12 Intangible assets

Goodwill is amortised over its expected useful life which is estimated to be ten years. Goodwill is assessed for impairment when there are indicators of impairment and any impairment is charged to the income statement. No reversals of impairment are recognised.

Carrylift Materials Handling Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

2. Accounting policies (continued)

2.13 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.

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

Depreciation is provided on the following basis:

Freehold and leasehold property	- 2% per annum straight line
Plant and machinery	- from 20% per annum straight line
Fixtures and fittings	- 20% per annum straight line
New motor vehicles	- from 25% per annum straight line
Secondhand motor vehicles	- 50% per annum straight line

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 Statement of Comprehensive Income.

2.14 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at the fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Balance Sheet date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in the Statement of Comprehensive Income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

Carrylift Materials Handling Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

2. Accounting policies (continued)

2.15 Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Financial assets

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

2.16 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.17 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to sell, which is equivalent to the net realisable value. Cost includes materials, direct labour and an attributable proportion of manufacturing overheads based on normal levels of activity. Cost is calculated using the FIFO (first-in, first-out) method. Provision is made for obsolete, slow-moving or defective items where appropriate.

Carrylift Materials Handling Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

2. Accounting policies (continued)

2.18 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.

2.19 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.

2.20 Creditors

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

2.21 Leased assets: the Company as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Comprehensive Income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.22 Financial instruments

The Company 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 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 in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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 Statement of Comprehensive Income.

Carrylift Materials Handling Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

2. Accounting policies (continued)

2.22 Financial instruments (continued)

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 Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position 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.

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

In the application of the Company's accounting policies, which are described in note 2, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Company's accounting policies

Impairment of goodwill

The Company considers whether intangible assets and goodwill are impaired. Where an indication of impairment is identified, the estimation of the recoverable value requires estimation of the recoverable value of the cash generating units (CGUs). This requires estimation of the future cash flows from the CGUs and also selection of an appropriate discount rate in order to calculate the net present value of those cash flows.

Key sources of estimation uncertainty

Provision against bad and doubtful amounts receivable

A provision is put in place against bad debts which is netted against the trade debtors balance. This is based on management's historic knowledge of the business and the ageing of the debtors.

Provision against slow-moving, obsolete or irrecoverable stock

Stock is reviewed on an ongoing basis and a provision made where the Directors are of the opinion that raw materials may be irrecoverable. As at the year end the Directors have no material concerns over the recoverability of the Company's stock.

Carrylift Materials Handling Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

4. Turnover

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

	2020 £	2019 £
Plant sales	6,947,635	9,083,350
Plant hire	4,259,449	4,373,419
Service and Contract Maintenance	8,266,168	10,176,477
	<u>19,473,252</u>	<u>23,633,246</u>

All turnover arose within the United Kingdom.

5. Other operating income

	2020 £	2019 £
Government grants receivable for furloughed employees	866,708	-
	<u>866,708</u>	<u>-</u>

6. Operating profit

The operating profit is stated after charging:

	2020 £	2019 £
Depreciation of tangible fixed assets	2,019,263	1,779,273
Amortisation of intangible fixed assets	107,770	107,770
Profit on disposal of fixed assets	(190,403)	(863,027)
Exchange differences	(5,129)	-
Operating lease expense	<u>52,717</u>	<u>58,536</u>

Carrylift Materials Handling Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

7. Auditor's remuneration

	2020 £	2019 £
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	<u>17,500</u>	<u>17,500</u>
Fees payable to the Company's auditor and its associates in respect of:		
Statutory accounts preparation	<u>750</u>	<u>750</u>

8. Employees

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

	2020 £	2019 £
Wages and salaries	5,805,627	6,571,748
Social security costs	586,508	671,393
Cost of defined contribution scheme	299,025	308,585
	<u>6,691,160</u>	<u>7,551,726</u>

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

	2020 No.	2019 No.
Production	132	149
Distribution	6	8
Sales	20	22
Administration	16	19
	<u>174</u>	<u>198</u>

Carrylift Materials Handling Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

9. Directors' remuneration

	2020 £	2019 £
Directors' emoluments	98,108	97,234
Company contributions to defined contribution pension schemes	22,747	12,812
	<u>120,855</u>	<u>110,046</u>

During the year retirement benefits were accruing to 1 Directors (2019 - 1) in respect of defined contribution pension schemes.

10. Interest receivable

	2020 £	2019 £
Other interest receivable	<u>7,024</u>	<u>5,777</u>

11. Interest payable and similar expenses

	2020 £	2019 £
Bank interest payable	8,475	2,488
Loans from group undertakings	-	457,500
Finance leases and hire purchase contracts	87,842	87,146
	<u>96,317</u>	<u>547,134</u>

Moving forwards, the management charge from the intermediate parent company will be included within administrative expenses to align the treatment with that of the wider Group, having previously been treated as interest.

Carrylift Materials Handling Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

12. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on profits for the year	419,761	220,036
Adjustments in respect of previous periods	(149,370)	1,346,674
Total current tax	270,391	1,566,710
Deferred tax		
Origination and reversal of timing differences	(143,951)	2,919
Changes to tax rates	20,397	(308)
Adjustments in respect of previous periods	-	(38)
Total deferred tax	(123,554)	2,573
Taxation on profit	146,837	1,569,283

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2019 - higher than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Profit before tax	1,251,395	1,840,737
Profit multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	237,765	349,740
Effects of:		
Expenses not deductible for tax purposes	3,549	47,653
Gains/rollover relief	34,496	(161,500)
Adjustments to tax charge in respect of prior periods	(149,370)	1,346,674
Non-taxable income	-	(148,206)
Change in tax rates	20,397	(345)
Effect of group relief/other reliefs	-	135,267
Total tax charge for the year	146,837	1,569,283

Carrylift Materials Handling Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

12. Taxation (continued)

Factors that may affect future tax charges

An increase in the future main corporation tax rate to 25% from 1 April 2023, from the previously enacted 19%, was announced in the budget on 3 March 2021, and substantively enacted on 24 May 2021. The deferred tax balance at 31 December 2020 has been calculated based on the rate as at the year end date.

13. Intangible assets

	Goodwill £
Cost	
At 1 January 2020	1,077,701
At 31 December 2020	<u>1,077,701</u>
Amortisation	
At 1 January 2020	242,483
Charge for the year	107,770
At 31 December 2020	<u>350,253</u>
Net book value	
At 31 December 2020	<u><u>727,448</u></u>
At 31 December 2019	<u><u>835,218</u></u>

Carrylift Materials Handling Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

14. Fixed asset investments

	Investments in subsidiary companies £
Cost and net book value	
At 1 January 2020	902,102
Credited by dividend	(901,102)
At 31 December 2020	<u>1,000</u>

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
United Forktrucks (1992) Limited	3 Peel Road, Skelmersdale, Lancashire, England, WN8 9PT	Non-trading	Ordinary	100%

The Company owns the entire share capital of United Forktrucks (1992) Limited, a company registered in England and Wales, with a registered office of 3 Peel Road, Skelmersdale, WN8 9PT. During the year the Company received dividends of £918,344 (2019: £Nil).

Carrylift Materials Handling Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

15. Tangible fixed assets

	Freehold property £	Long-term leasehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation						
At 1 January 2020	4,621,544	124,930	9,691,268	2,043,263	945,916	17,426,921
Additions	257,500	-	2,462,361	30,893	26,952	2,777,706
Disposals	-	-	(1,129,684)	(431,205)	(13,212)	(1,574,101)
At 31 December 2020	4,879,044	124,930	11,023,945	1,642,951	959,656	18,630,526
Depreciation						
At 1 January 2020	723,352	5,621	3,928,505	963,412	679,446	6,300,336
Charge for the year	85,786	7,613	1,542,179	273,766	109,919	2,019,263
Disposals	-	-	(513,510)	(296,968)	(11,374)	(821,852)
At 31 December 2020	809,138	13,234	4,957,174	940,210	777,991	7,497,747
Net book value						
At 31 December 2020	4,069,906	111,696	6,066,771	702,741	181,665	11,132,779
At 31 December 2019	3,898,192	119,309	5,762,763	1,079,851	266,470	11,126,585

Assets held under finance leases

Included within assets is £2,812,920 (2019: £2,900,658) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £502,919 (2019: £417,900).

Revaluation

The freehold land and buildings were professionally valued by a RICS registered valuer on the basis of open market value on arm's length terms in January 2020. The valuation basis conformed to International Valuation Standards.

Carrylift Materials Handling Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

15. Tangible fixed assets (continued)

If the freehold land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2020 £	2019 £
Cost	2,321,887	2,321,887
Accumulated depreciation	(769,790)	(723,352)
Net book value	1,552,097	1,598,535

16. Stocks

	2020 £	2019 £
Raw materials and consumables	238,369	346,597
Work in progress	200,812	255,213
Finished goods and goods for resale	1,164,240	2,348,436
	1,603,421	2,950,246

Impairment losses totalling £9,192 (2019: £31,801) were recognised in the Statement of Comprehensive Income in respect of slow-moving or obsolete stock.

There is no material difference between the replacement cost of stocks and the amounts stated above.

17. Debtors

	2020 £	2019 £
Trade debtors	2,287,093	2,495,212
Amounts owed by group undertakings	14,147,359	13,180,382
Other debtors	45,216	58,669
Prepayments and accrued income	301,634	436,559
	16,781,302	16,170,822

Trade debtors include £24,713 (2019 - £6,519) of charges for bad debt provisions.

The amounts owed by group undertakings are interest free and repayable on demand.

Carrylift Materials Handling Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

18. Creditors: Amounts falling due within one year

	2020 £	2019 £
Bank overdrafts	12,875	495
Trade creditors	1,941,112	2,753,336
Amounts owed to group undertakings	17,556,919	17,037,252
Corporation tax	1,453,370	1,261,883
Other taxation and social security	1,074,016	507,593
Obligations under finance lease and hire purchase contracts	757,712	875,664
Group relief	-	1,049,836
Accruals and deferred income	903,542	891,103
	<u>23,699,546</u>	<u>24,377,162</u>

The amounts owed to group undertakings attract interest at 4% (2019: 4%) and is repayable on demand.

Obligations under finance leases and hire purchase contracts are secured on the assets to which they relate.

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

	2020 £	2019 £
Obligations under finance leases and hire purchase contracts	<u>1,207,695</u>	<u>1,322,553</u>

Obligations under finance leases and hire purchase contracts are secured on the assets to which they relate.

20. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2020 £	2019 £
Within one year	757,712	875,664
Between one and two years	566,041	589,981
Between two and five years	641,654	732,572
	<u>1,965,407</u>	<u>2,198,217</u>

Carrylift Materials Handling Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

21. Deferred taxation

	2020 £
Deferred tax asset	
At beginning of year	173,371
Credited to profit or loss	(123,554)
Charged to other comprehensive income	-
At end of year	<u><u>49,817</u></u>

The provision for deferred taxation is made up as follows:

	2020 £	2019 £
Fixed asset timing differences	97,321	212,581
Short-term timing differences - trading	(5,903)	-
Losses	(41,601)	(37,222)
Other timing differences	-	(1,988)
	<u><u>49,817</u></u>	<u><u>173,371</u></u>

22. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
161,110 (2019 - 161,110) Ordinary shares of £1.00 each	<u><u>161,110</u></u>	<u><u>161,110</u></u>

The Company has one class of ordinary shares which carry no right to fixed income.

Carrylift Materials Handling Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

23. Reserves

Share capital

Called up share capital represents the nominal value of the shares issued.

Revaluation reserve

The revaluation reserve represents the surplus in fair value of fixed assets over their historic cost.

Profit and loss account

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

24. Contingent liabilities

Truck BuyBack Guarantee

At 31 December 2020 the Company were party to an asset finance agreement whereby upon request of the lender, the Company would repurchase specified fork lift trucks at the end of, or upon termination of, the lease between the lender, the Company and specified third parties, at a specified price. The total contingent liability is estimated by management to be £6,612,696 (2019: £6,984,469).

25. Pension commitments

The Company operates defined contribution retirement benefit schemes for all qualifying employees. The total expense charged to profit or loss in the year ended 31 December 2020 was £299,025 (2019: £308,585). Contributions totalling £31,066 (2019: £36,483) were payable to the fund at the reporting date and are included in creditors.

Carrylift Materials Handling Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

26. Related party transactions

The Company has taken advantage of the disclosure exemptions available in FRS 102 Section 33.1A in relation to balances and transactions between other wholly-owned entities within the group headed by CorpAcq Limited.

The Company is named as one of several guarantors on the term loans provided to CorpAcq Limited by Alcentra Limited, the details of which are disclosed in the CorpAcq Limited financial statements filed at Companies House. At the date of approval of the financial statements, based on the group's forecasts and projections, there is no expectation in the foreseeable future that the company will be called upon in relation to this status as guarantor, however in line with the clauses of the agreement, each guarantor irrevocably and unconditionally jointly and severally:

- guarantees to each finance party punctual performance by each other obligor of all that obligor's obligations under the finance documents;
- undertakes with each finance party that whenever another obligor does not pay any amount when due under or in connection with any finance document, that guarantor shall immediately on demand pay that amount as if it was the principal obligor; and
- agrees with each finance party that if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal, it will, as an independent and primary obligation, indemnify that finance party immediately on demand against any cost, loss or liability it incurs as a result of an obligor not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by it under any finance document on the date when it would have been due. The amount payable by a guarantor under this indemnity will not exceed the amount it would have had to pay under this clause if the amount claimed had been recoverable on the basis of a guarantee.

27. Post balance sheet events

Since the reporting date, the UK has entered into subsequent lockdowns that have affected companies across the UK and the full impact and duration of the COVID-19 pandemic remains difficult to predict. At the date of approving the financial statements, the Directors remain optimistic for the future period of trade, despite the risks and uncertainties referred to in the Strategic Report. Aside from the ongoing impact of COVID-19, there have been no significant events affecting the company since the year end.

28. Controlling party

The immediate parent Company is Carrylift Group (Holdings) Limited, a company registered in England and Wales.

The smallest group in which the results of the Company are consolidated is that headed by CorpAcq Limited, a company registered in England and Wales with registered office CorpAcq House, 1 Goose Green, Altrincham, Cheshire, England, WA14 1DW. The consolidated financial statements of the group are available to the public and may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

The largest group in which the results of the Company are consolidated is that headed by Orange UK Holdings Limited, which is the ultimate parent company. Orange UK Holdings Limited is registered in England and Wales with registered office 1 Goose Green, Altrincham, Cheshire, England, WA14 1DW. The consolidated financial statements of the group are available to the public and may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

The Directors consider, that by virtue of his shareholding in the ultimate parent company, the ultimate controlling party is Mr S Orange.