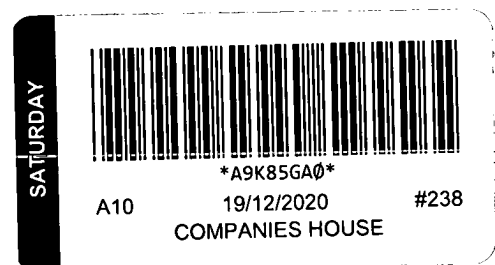


Briggs Equipment UK Limited
Group annual report and financial statements
for the year ended 31 December 2019

Registered number: 05895588



Briggs Equipment UK Limited

Annual report and financial statements for the year ended 31 December 2019

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Briggs Equipment UK Limited

Strategic report for the year ended 31 December 2019

The directors present their strategic report on the Briggs Equipment UK Limited Group ('the Group') for the year ended 31 December 2019.

Principal activities

The principal activities of the Group are the sale, servicing and leasing of materials handling equipment, hire of plant and tools and other associated equipment.

Review of the business

2019 saw further progress against our five-year plan developed in 2017. There was further investment in continuous improvement projects within the core business of asset management and engineering services, along with investment in acquisitions that will benefit the Group from both further geographical and new market penetration.

Turnover grew by 21% over 2018 with the acquisitions contributing 49% of this growth. There was an increase in revenues from a number of direct equipment sales and whilst this contributed to a minor dilution of the EBITDA margin, total EBITDA increased from £76.2m in 2018 to £88.4m in 2019 demonstrating the continued investment within our business and our ability to generate strong cashflows to fund the investment activity of the Group, supported by a further £27.6m equity injection in 2019.

Profit and total comprehensive income decreased in 2019 as a result of an increase of £1.3m in the goodwill amortisation charge from the acquisition activity and an increased £1.2m tax on profit. The increased tax on profit was impacted by a higher level of interest charges that are not allowable under the Corporate Interest Restriction regulations due the ultimate parent of the Group being in a net interest income position. There were also £512k of other timing differences relating to adjustments for prior periods.

The acquisition strategy has expanded our product offering and delivered improved geographic penetration:

1. Hiremech Holdings Limited was acquired on 2 January 2019 and will supply Hyster materials handling equipment inside the M25 from its base in Tottenham.
2. The trade, assets and liabilities of United Plant Services Limited were acquired on 22 January 2019. This acquisition has added heavy plant maintenance to our engineering services capability across England, Wales and Scotland. As a result of this investment we were successful in being awarded a 5-year multi-million pound contract with a large quarry and building materials company that was implemented on 1 January 2020.
3. Balloo Hire Centre Limited was acquired on 31 March 2019 and has added plant and tool hire to our Northern Ireland territory and will allow cross-selling of product across the businesses within that territory. This acquisition was able to further increase its product offering with the addition of two trade, asset and liability acquisitions within the region:
 - a. Highway Plant Company Limited on 1 July 2019.
 - b. Eco Hire on 1 October 2019.
4. Northern Forklift (Scotland) Limited was acquired on 31 August 2019 increasing our capability and customer base in Scotland.

Briggs Equipment UK Limited

Strategic report for the year ended 31 December 2019 (continued)

Charitable donations

Charity continues to be a key element of the culture of the Group. During the year, the Group raised over £210,000 for both local and national charities.

Future developments

Our plan for further progress on our 5-year plan has been impacted by the COVID-19 pandemic in 2020. Like many businesses we had to take action to reduce costs as a result of an initial decline in demand for our services from our customer base and we have utilised the Government's Coronavirus Job Retention Scheme. At the time of filing these accounts we have seen trading conditions improve however we anticipate delivering a reduced profit after tax for 2020 compared to 2019.

Equity has been made available to fund acquisitions and we have a number of target companies being considered to support our territory and product penetration.

The funding provided by the six-bank syndicate via the £285m Asset Backed Loan facility has remained in place and after negotiating relief on some of the required covenants we have now returned to full compliance and they remain supportive of management's actions taken during the pandemic.

We have taken the time during the pandemic to review our operating processes and cost base and will be implementing changes to improve profitability for 2021 and beyond.

Following this pandemic year we intend to create a new 5-year strategy to build upon the progress made over the three years to 2019 and to deliver further growth across the Group from investment in our people, systems, assets and further acquisitions as opportunities are identified.

Financial risk management

The Group's operations expose it to a variety of financial risks which include foreign exchange risk, interest rate risk, liquidity risk and credit risk. The procedures implemented to effectively manage these risks are detailed below.

Foreign exchange risk

A proportion of the Group's equipment and parts purchases are denominated in Euros. In addition, certain transactions with other group companies are denominated in both US dollars and Euros. The Group actively monitors currency movements and, where appropriate, utilises derivatives to mitigate downside risk.

Credit risk

The effects of credit risk are controlled as the Group has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to any individual counterparty is proactively monitored and is subject to a limit, which is regularly reassessed. The Board receives regular reports on amounts due and amounts significantly overdue and the appropriate actions are taken.

Liquidity risk

Detailed cash flow forecasts are prepared to assess the Group's cash requirements. Funding is obtained principally through an Asset Backed Loan facility led by Wells Fargo. The Group proactively assesses and manages its cash requirements and its available facilities to ensure sufficient funds are available at all times.

Briggs Equipment UK Limited

Strategic report for the year ended 31 December 2019 (continued)

Financial risk management (continued)

Interest rate risk

The Group's borrowings are subject to variable interest rates. The Group has continued with the interest hedging derivative entered into in the prior year minimising the risk of adverse rate movements.

Key performance indicators ("KPIs")

The Group's strategy is one of growth combined with improved profitability and cash generation. The directors monitor progress against this strategy by reference to a number of KPIs.

Performance for the year, together with comparative data for the previous year, is set out in the table below:

KPI	2019	2018	Definition, method of calculation and analysis
Growth in turnover (%)	21%	12%	Year on year turnover growth expressed as a percentage. Turnover rose in the year reflecting the continued growth in customers, products and services. Acquisitions made in the year also contribute to the increase in revenue.
EBITDA return on turnover (%)	32%	33%	EBITDA return on turnover is the ratio of operating profit before amortisation and depreciation on ordinary activities expressed as a percentage of turnover. This ratio decreased slightly due to the increase in direct equipment sales in the year.
Working capital ("Quick") ratio	1.2	1.4	Working capital ratio of current assets to current liabilities. This ratio decreased in the year due to a decrease in cash. In 2018 the cash balance was unusually high due to cash held for the acquisition of Hiremech Holdings at the start of 2019.

Statement of the directors in performance of their statutory duties in accordance with Section 172

The Board of Directors (the "Board") confirm it has performed its duties in respect of Section 172 of the Companies Act 2006. Specifically, the Board has considered the long-term factors affecting the company and its strategic direction. The Board has engaged with the company's stakeholders which assists the Board in its decision-making process and in fulfilling its duty to promote the success of the company as set out in Section 172.

The Board has fulfilled their duties as follows:

On an ongoing basis the Board assesses the major risks affecting the company and develops appropriate responses to address those risks in an efficient and effective manner. This is taken into consideration when setting goals, budgets and forecasting financial performance. This ensures that the company understands the financial impact of such risks and can respond to these given situations on a timely basis.

Employees

Employees are key to our success. The company engages with employees on a regular basis. Regular communications are issued and meetings held to cover a range of topics such as health and safety, financial performance, outlook and training opportunities. The company monitors staff turnover to understand the reasons why staff have opted to pursue alternative career opportunities. The company invests in the future of the business and has a successful apprenticeship program.

Business relationships

We aim to exceed our customers' expectations. The company seeks to achieve this through regular communication and delivering high quality products and services to our customers. We continually try to enhance our products and services to maintain our strong business relationships with our existing and potential customers.

Suppliers

All of our suppliers are integral to the success of the company and we have regular ongoing dialogue with our supply chain.

Communities

The company is committed to make a positive contribution to the local community and then environment. A key priority is the health and well-being of our employees through training and development programs. We also aim to reduce the company's impact on the environment, for example, through energy saving initiatives and waste reduction.

Shareholders

The company is part of a wider group, and maintains regular ongoing dialogue with the parent company undertakings.

Regulators

The board ensures the company is in compliance with all regulatory requirements. In particular in compliance with health and safety regulations and the Modern Slavery Act.

Briggs Equipment UK Limited

**Strategic report
for the year ended 31 December 2019 (continued)**

Approved by the board of directors and signed on its behalf by:



P. B. Jones
Director

1 October 2020

Briggs Equipment UK Limited

Directors' report for the year ended 31 December 2019

The directors present their report and the audited consolidated financial statements of the Group for the year ended 31 December 2019.

Future developments

An indication of future developments of the business is included in the Strategic Report on page 3.

Share Capital

As disclosed in note 19, the company issued share capital of £27,600,000 during the year.

Dividends

The directors do not recommend the payment of a dividend (2018: no dividend paid).

Financial risk management

Financial risk management is described in the Strategic Report on page 3.

Directors

The directors of the Company who were in office during the year and up to the date of signing the financial statements were:

P B Jones	
D Ash	(American citizen)
H L Kreager	(American citizen)

Company secretary

The position of Company secretary during the year and up to the date of signing the financial statements was:

H Kandola	(resigned 12 July 2019)
C Gosh	(appointed 7 August 2019, resigned 30 April 2020, American Citizen)
I Wilton	(appointed 6 April 2020)

Directors' indemnities

The Group maintained throughout the year, and at the date of approval of the financial statements, liability insurance for its directors and officers. This is a qualifying provision for the purposes of the Companies Act 2006.

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Group continues and the appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

Employee consultation

The Group maintains a policy of regular consultation and discussion with its employees by means of periodic employee surveys, meetings and newsletters on a wide range of issues that are likely to affect their interests and ensure that all employees are aware of the financial and economic performance of their business units and of the Group as a whole.

Briggs Equipment UK Limited

Directors' report for the year ended 31 December 2019 (continued)

Going concern

The directors have adopted the going concern basis in preparing these financial statements (see note 3).

Statement of directors' responsibilities in respect of the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 group and company and of the profit or loss of the group and company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 group and company will continue in business.

The directors are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the group and company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the group and company's auditors are aware of that information.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

Approved by the board of directors and signed on their behalf by:



P. B. Jones
Director

1 October 2020

Registered number: 05895588

Report on the audit of the financial statements

Opinion

In our opinion, Briggs Equipment UK Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2019 and of the group's profit and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Group Annual Report and Financial Statements (the "Annual Report"), which comprise: the group and company statements of financial position as at 31 December 2019; the group statement of comprehensive income, the group cash flow statement, and the group and company statements of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's and 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.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's and company's ability to continue as a going concern.

Briggs Equipment UK Limited

Independent auditors' report to the members of Briggs Equipment UK Limited (continued)

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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 group's and 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 group or the company or to cease operations, or have no realistic alternative but to do so.

Briggs Equipment UK Limited

Independent auditors' report to the members of Briggs Equipment UK Limited (continued)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

David Martin

David Martin (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham

2 October 2020

Briggs Equipment UK Limited**Group Statement of comprehensive income
for the year ended 31 December 2019**

	Note	2019 £000	2018 £000
Turnover	5	277,732	229,447
Cost of sales		(207,657)	(172,077)
Gross profit		70,075	57,370
Administrative expenses		(54,834)	(43,416)
Operating profit	6	15,241	13,954
Interest payable and similar expenses	8	(8,254)	(7,224)
Profit before taxation		6,987	6,730
Tax on profit	9	(3,473)	(2,306)
Profit and total comprehensive income for the year		3,514	4,424

Briggs Equipment UK Limited

**Group and Company Statement of financial position
as at 31 December 2019**

		Group		Company	
	Note	2019 £000	2018 £000	2019 £000	2018 £000
Fixed assets					
Intangible assets	10	26,357	11,269	4,924	6,211
Tangible assets	11	347,852	297,513	297,637	287,071
Investments	12	-	-	41,785	7,026
		374,209	308,782	344,346	300,308
Current assets					
Inventories	13	28,070	26,227	25,406	23,167
Debtors: amounts falling due within one year	14	64,345	53,278	68,052	59,887
Debtors: amounts falling due after more than one year	14	814	1,039	814	1,039
Cash at bank and in hand		4,512	14,507	1,672	12,864
		97,741	95,051	95,944	96,957
Creditors: amounts falling due within one year	15	(81,135)	(67,651)	(60,533)	(61,859)
Net current assets		16,606	27,400	35,411	35,098
Total assets less current liabilities		390,815	336,182	379,757	335,406
Creditors: amounts falling due after more than one year	15	(250,430)	(227,832)	(238,475)	(226,222)
Provisions for liabilities	17	(1,808)	(381)	-	(273)
Net assets		138,577	107,969	141,282	108,911
Capital and reserves					
Called up share capital	19	97,400	69,800	97,400	69,800
Retained earnings		41,177	38,169	43,882	39,111
Total equity		138,577	107,969	141,282	108,911

The notes on pages 18 to 52 are an integral part of these financial statements.

The company profit for the year is £4,771,000 (2018: £5,316,000).

Briggs Equipment UK Limited

**Group and Company Statement of financial position
as at 31 December 2019 (continued)**

The financial statements on pages 13 to 52 were approved by the board of directors on 1 October 2020 and were signed on its behalf by:



P B Jones
Director

Registered no. 05895588

Briggs Equipment UK Limited

**Group Statement of changes in equity
for the year ended 31 December 2019**

	Called- up share capital £000	Retained earnings £000	Total equity £000
Balance at 1 January 2018	55,000	33,608	88,608
Profit and total comprehensive income for the year	-	4,424	4,424
Issue of new Share Capital	14,800	-	14,800
Cumulative Translation	-	137	137
Balance as at 31 December 2018	69,800	38,169	107,969
Balance at 1 January 2019	69,800	38,169	107,969
Profit and total comprehensive income for the year	-	3,514	3,514
Issue of new Share Capital	27,600	-	27,600
Cumulative Translation	-	(506)	(506)
Balance as at 31 December 2019	97,400	41,177	138,577

Company Statement of changes in equity for year ended 31 December 2019

	Called- up share capital £000	Retained earnings £000	Total equity £000
Balance at 1 January 2018	55,000	33,795	88,795
Profit and total comprehensive income for the year	-	5,316	5,316
Issue of new Share Capital	14,800	-	14,800
Balance as at 31 December 2018	69,800	39,111	108,911
Balance at 1 January 2019	69,800	39,111	108,911
Profit and total comprehensive income for the year	-	4,771	4,771
Issue of new Share Capital	27,600	-	27,600
Balance as at 31 December 2019	97,400	43,882	141,282

Briggs Equipment UK Limited

**Group Cash flow Statement
for the year ended 31 December 2019**

	Note	2019 £000	2019 £000	2018 £000	2018 £000
Net cash inflow from operating activities	20		78,314		62,585
Taxation paid			(3,350)		(1,393)
Net cash generated from operating activities			74,964		61,192
Cash flow from investing activities					
Purchase of businesses	25	(33,598)		(2,322)	
Purchase of intangible assets		(174)		(3)	
Purchase of tangible fixed assets		(99,622)		(86,362)	
Proceeds from disposals of tangible fixed assets		18,585		14,902	
Net cash used in investing activities			(114,809)		(73,785)
Cash flow from financing activities					
Repayment of inter-company loans with Parent	20	(216)		(4,951)	
Receipt of asset backed borrowings	20	14,976		26,027	
Repayment of other borrowings	20	(3,504)		(4,816)	
Interest paid		(7,621)		(6,502)	
Proceeds from ordinary share capital issue		27,600		14,800	
Foreign exchange translation		(1,385)		274	
Net cash generated from financing activities			29,850		24,832
Net (decrease)/increase of cash and cash equivalents			(9,995)		12,239
Cash and cash equivalents at beginning of the year			14,507		2,268
Cash and cash equivalents at end of the year			4,512		14,507
Cash and cash equivalents consist of:					
		2019 £000		2018 £000	
Cash at bank and in hand		4,512		14,507	
Cash and cash equivalents		4,512		14,507	

Briggs Equipment UK Limited

Notes to the financial statements for the year ended 31 December 2019

1 General Information

The principal activity of Briggs Equipment UK Limited ("the Company") is the sale, servicing and leasing of materials handling equipment and other associated equipment.

The Company is a private company limited by shares and is incorporated in the United Kingdom and domiciled in England. The address of its registered office is Orbital 7, Orbital Way, Cannock, Staffordshire, WS11 8XW.

2 Statement of compliance

The financial statements of Briggs Equipment UK Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

Basis of consolidation

The group financial statements incorporate the financial statements of the company and its subsidiary undertakings. Intra group sales and profits are fully eliminated on consolidation.

As a consolidated group profit and loss is published, a separate profit and loss account for the parent company is omitted from the group financial statements by the virtue of section 408 of the Companies Act 2006.

Going concern

After reviewing the Group and Company's forecasts and projections, the directors have a reasonable expectation that the Group and Company has adequate resources to continue in operational existence for the foreseeable future. The Group and Company therefore continue to adopt the going concern basis in preparing these financial statements.

Foreign currency

Functional and presentation currency

The Company's functional currency is pound sterling which is presented in the financial statements rounded to thousands.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

Briggs Equipment UK Limited

Notes to the financial statements for the year ended 31 December 2019 (continued)

3 Summary of significant accounting policies (continued)

Foreign currency (continued)

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined. Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for goods and services sold, net of discounts, exchange rate differences where sales are conducted in foreign currencies and value added taxes.

Sale of goods

Revenue from the sale of goods is recognised during the period in which the product is delivered and when the significant risks and rewards of ownership of the goods have transferred to the buyer.

Contracts and sales of services

Revenue includes operating lease and contract hire income, together with amounts in respect of rental equipment disposals. Where title to the rental asset resides with the Group, revenue in respect of maintenance contracts is recognised on a straight line basis over the anticipated period of the contract.

Where title to the rental asset does not reside with the Group and the Group is under a contractual obligation to maintain the asset to a pre-defined standard, revenue in respect of maintenance contracts is recognised on the percentage completion methods based on the anticipated cost of repairs over the life cycle of the equipment.

Interest income

Interest income is recognised using the effective interest rate method.

Exceptional items

The Group and Company classifies certain one-off charge or credits that have a material impact on the Group and Company's financial results as 'exceptional items'. These are disclosed separately to provide further understanding of the financial performance of the Group and Company.

Employee benefits

The Group provides a range of benefits to employees, including paid holiday arrangements and defined contribution pension plans.

Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

Defined contribution pension plan

The Group operates a defined contribution pension plan for its employees. The contributions to the plan are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the Group and Company in separately administered funds.

Briggs Equipment UK Limited

Notes to the financial statements for the year ended 31 December 2019 (continued)

3 Summary of significant accounting policies (continued)

Taxation

Taxation expense for the year comprises current and deferred tax recognised in the reporting year. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

Current tax

Current tax is the amount of corporation tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the year end.

Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Goodwill

Goodwill arises on business combinations and represents the excess of the fair value of directly attributable costs of the purchase consideration over the fair values of the identifiable net assets, liabilities and contingent liabilities acquired.

Goodwill is amortised over its expected useful life. Where it is not possible to make a reliable estimate of useful life, goodwill is amortised over a period not exceeding 10 years. Goodwill is assessed for impairment when there are indicators of impairment and any impairment is charged to the income statement. Reversals of impairment are recognised when the reasons for the impairment no longer apply.

Development costs

Development costs are recognised as an expense as incurred.

Software

Software is amortised over its estimated useful life of 3 – 7 years.

Tangible assets

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price and costs directly attributable to bring the asset to its working condition for its intended use.

Briggs Equipment UK Limited

Notes to the financial statements for the year ended 31 December 2019 (continued)

3 Summary of significant accounting policies (continued)

Tangible assets (continued)

Depreciation is calculated using the straight-line method to allocate cost to the assets' residual values over their estimated useful lives, as follows:

• Freehold buildings	50 years
• Leasehold improvements	Life of the lease
• Plant and machinery	3 – 5 years
• Rental equipment	3 – 10 years
• Fixtures and fittings	5 years
• Computer hardware	3 – 7 years

Freehold land is not depreciated.

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

Rental equipment is transferred into tangible assets from inventories at the inception of the associated rental contract and transferred back to inventories at the conclusion of the contract.

Cashflows arising from the acquisition and disposal of rental equipment are disclosed as 'investing activities' within the cashflow statement.

Leased assets

Lease contracts are classified as either finance leases or operating leases.

Finance leases

Leases which transfer substantially all the risks and rewards incidental to ownership are classified as finance leases. Assets held under finance leases are capitalised at the fair value of the leased asset or, if lower, the present value of the minimum lease payments calculated using the interest rate implicit in the lease.

Finance leases on rental equipment leased to customers are recorded in the balance sheet as a debtor. The capital element of the lease obligation is recorded as a liability. Lease payments are apportioned between capital repayment and finance charge using the effective interest method, to produce a constant rate of charge on the balance of the capital repayments outstanding.

Operating leases

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Lease incentives

Incentives to enter into a finance lease reduce the fair value of the asset and are included in the calculation of the present value of minimum lease payments. Incentives received to enter into an operating lease are credited to the statement of comprehensive income, to reduce the lease expense, on a straight line basis over the period of the lease.

3 Summary of significant accounting policies (continued)

Leased assets (continued)

Lease incentives (continued)

The Company has taken advantage of the exemption in respect of lease incentives on leases in existence on the date of transition to FRS 102 (1 January 2014) and continues to credit such lease incentives to the profit and loss account over the period to first review date on which the rent is adjusted to market rates.

Impairment of assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in the profit and loss account.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years.

Inventories

Inventories are stated at the lower of cost and fair value less costs to sell. For finished products and work in progress, cost consists of raw materials, direct personnel costs and other direct costs. Provision is made for obsolete or slow moving items where appropriate.

Provisions and contingencies

Provisions are recognised when there is a legal or constructive obligation resulting from past events and it is probable that payment will be required to meet the obligation, and that the amount can be calculated in a reliable manner. No provisions are made for future operating losses.

Repurchase commitments

Certain transactions between the Company and external financing companies can include a commitment from the Company to repurchase assets at the end of associated third party lease agreements. This repurchase liability is matched by an equivalent asset (the repurchased equipment) subject to the repurchase price not exceeding the realisable value of the associated asset. The repurchase commitment is recorded as a creditor in the balance sheet together with an equivalent asset recorded within debtors.

Financial instruments

The Group has adopted Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing arrangement, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

Financial liabilities

Basic financial liabilities, including trade and other payables and loans from fellow group companies are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Briggs Equipment UK Limited

Notes to the financial statements for the year ended 31 December 2019 (continued)

3 Summary of significant accounting policies (continued)

Distributions to equity holders

Dividends to the Company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the Company's shareholders.

These amounts are recognised in the statement of changes in equity.

Related party transactions

The Group discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with members of the same group that are wholly owned.

4 Critical accounting judgements and estimation uncertainty

Group management and the board of directors make estimates and assumptions about the future. These estimates and assumptions impact recognised assets and liabilities, as well as revenue and expenses and other disclosures. These estimates are based on historical experience and on various assumptions considered reasonable under the prevailing conditions. The actual outcome may diverge from these estimates if other assumptions are made, or other conditions arise. The estimates and assumptions that may have a significant effect on the carrying amounts of assets and liabilities within the financial year include:

- Tangible and intangible assets are recognised at cost, less accumulated depreciation, amortisation and any impairments. Amortisation and depreciation take place over the estimated useful life, down to the assessed residual value. The carrying amount of the Group's fixed assets is tested as soon as changed conditions show that a need for impairment has arisen.
- The cost of inventory and associated provisioning are considered regularly. When calculating the inventory provision, management considers the nature and condition of the inventory, as well as applying assumptions around anticipated saleability and usage of finished goods and future usage of component parts.
- Investments are recognised at cost, less any impairment. On an ongoing basis the Directors assess the carrying value of investments in subsidiaries for impairment. In assessing the recoverability of such amounts, and in calculating whether an impairment provision is required, the Directors make assumptions regarding the future trading performance of the subsidiary entity. Such forecasts are subject to actual performance and in uncertain times, such as the current COVID 19 pandemic, actual results and cashflows may be different to the Director's best estimate. The Directors also consider the estimated recoverable amount of the subsidiary based on multiples of EBITDA. Such multiples are subject to changing industry trends and market demand.
- All customer leases are treated as operating leases however if a contract is larger and more complex, management considers the nature and criteria of the contract to determine the classification of the lease.
- Dilapidations costs are estimated based on our facilities and legal team's professional judgement to determine the work that would need to be undertaken on an individual property basis.

The carrying value of intangible assets, tangible assets and inventory can be found in notes 10 to 13.

Briggs Equipment UK Limited

Notes to the financial statements for the year ended 31 December 2019 (continued)

5 Turnover

The turnover and profit on ordinary activities before taxation are attributable to the principal activities of the Group being the sale, servicing and leasing of materials handling equipment and other associated equipment. An analysis of turnover by geography and category is given below:

Analysis of turnover by geography:

	2019 £000	2018 £000
Europe	16,267	5,916
Rest of world	91	99
Total exports	16,358	6,015
United Kingdom	261,374	223,432
	277,732	229,447

Analysis of turnover by category:

	2019 £000	2018 £000
Sale of goods	81,439	59,631
Leasing	76,525	70,363
Services	119,768	99,453
	277,732	229,447

Briggs Equipment UK Limited

Notes to the financial statements for the year ended 31 December 2019 (continued)

6 Operating profit

Operating profit is stated after charging/(crediting):

	2019 £000	2018 £000
Impairment of trade receivables	250	57
Impairment of inventory included in cost of sales	353	343
Amortisation of intangible assets	3,295	1,942
Depreciation of tangible assets	69,856	60,344
Operating lease charges	7,112	5,982
(Gain)/Loss on disposal of tangible fixed assets	(100)	77
Foreign exchange gain	(640)	(256)
Fees payable to the company's auditors for the audit of the parent company and group consolidated financial statements	174	116
Fees payable to the Company's auditor for other services:	25	47
- Tax compliance services	90	47
- Tax advisory services	-	-
- Other services	3	3

Briggs Equipment UK Limited

**Notes to the financial statements
for the year ended 31 December 2019 (continued)**

**7 Employees and employee benefits
(a) Employees**

Group	2019 £000	2018 £000
Wages and salaries	51,340	41,638
Social security costs	5,571	4,137
Other pension costs	3,000	2,140
Staff costs	59,911	47,915

Other pension costs of £3,000,000 (2018: £2,140,000) relate to the Group's payments in regard to the defined contribution pension scheme. Key management personnel of the Group are the Directors of the Group.

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

By activity	2019 No.	2018 No.
Operational	842	618
Sales	157	195
Administration	516	438
	1,515	1,251

Company	2019 £000	2018 £000
Wages and salaries	42,220	41,223
Social security costs	4,063	4,098
Other pension costs	2,534	2,140
Staff costs	48,817	47,461

Other pension costs of £2,534,000 (2018: £2,140,000) relate to the Company's payments in regard to the defined contribution pension scheme.

Briggs Equipment UK Limited

Notes to the financial statements for the year ended 31 December 2019 (continued)

7 Employees and employee benefits (continued)

(a) Employees (continued)

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

By activity	2019 No.	2018 No.
Operational	683	598
Sales	140	189
Administration	419	419
	1,243	1,206

(b) Directors

The directors' emoluments were as follows:

	2019 £000	2018 £000
Aggregate emoluments	364	357
Aggregate amounts (excluding shares) receivable under long term incentive schemes	95	92
Group contributions to money purchase pension schemes	28	28
	487	477

The highest paid director's emoluments were as follows:

	2019 £000	2018 £000
Aggregate emoluments	364	357
Aggregate amounts (excluding shares) receivable under long term incentive schemes	95	92
Group contributions to money purchase pension schemes	28	28
	487	477

No directors (2018: £nil) receive shares under a long term incentive scheme.

Key management for the Group are the Directors of the Group.

Briggs Equipment UK Limited

**Notes to the financial statements
for the year ended 31 December 2019 (continued)**

8 Net interest expense

	2019	2018
	£000	£000
Interest payable and similar expenses		
Interest payable to group undertakings	247	286
Interest payable on other loans	8,007	6,938
Total interest expense on financial liabilities not measured at fair value through profit and loss	8,254	7,224
Total interest payable and similar expenses	8,254	7,224
Net interest expense	8,254	7,224

Briggs Equipment UK Limited**Notes to the financial statements
for the year ended 31 December 2019 (continued)****9 Tax on profit****(a) Tax expense included in the group statement of comprehensive income**

	2019	2018
	£000	£000
Current tax:		
UK Corporation tax on profits for the year	2,799	2,338
Adjustments in respect of prior periods	446	355
Total current tax	3,245	2,693
Deferred tax:		
Origination and reversal of timing differences	162	123
Adjustments in respect of prior periods	66	(510)
Total deferred tax	228	(387)
Tax on profit	3,473	2,306

(b) Reconciliation of tax charge

Tax assessed for the year is higher (2018: higher) than the standard rate of corporation tax in the UK for the year ended 31 December 2019 of 19% (2018: 19%). The differences are explained below:

	2019	2018
	£000	£000
Profit before taxation	6,987	6,730
Profit before tax multiplied by the standard rate of tax in the UK of 19% (2018: 19%)	1,328	1,279
Expenses not deductible for tax purposes	1,455	1,050
Movement in adjustments to tax charge in respect of prior years	512	(148)
Effect of overseas tax rates	84	59
Unrecognised deferred tax	94	66
Total tax charge for the year	3,473	2,306

Briggs Equipment UK Limited

**Notes to the financial statements
for the year ended 31 December 2019 (continued)**

10 Intangible assets

Group	Software £000	Goodwill £000	Patent £000	Total £000
Cost				
At 1 January 2019	8,207	22,979	-	31,186
Additions	164	-	-	164
Acquisitions	-	18,220	1	18,221
Cumulative Translation	(2)	-	-	(2)
At 31 December 2019	8,369	41,199	1	49,569
Accumulated amortisation and impairment				
At 1 January 2019	(8,023)	(11,894)	-	(19,917)
Amortisation	(77)	(3,218)	-	(3,295)
Acquisitions	-	-	(1)	(1)
Cumulative Translation	1	-	-	1
At 31 December 2019	(8,099)	(15,112)	(1)	(23,212)
Net book amount at 31 December 2019	270	26,087	-	26,357
Net book amount at 31 December 2018	184	11,085	-	11,269

Intangible assets

Company	Software £000	Goodwill £000	Total £000
Cost			
At 1 January 2019	8,176	17,378	25,554
Additions	164	41	205
At 31 December 2019	8,340	17,419	25,759
Accumulated amortisation and impairment			
At 1 January 2019	(8,017)	(11,326)	(19,343)
Amortisation	(66)	(1,426)	(1,492)
At 31 December 2019	(8,083)	(12,752)	(20,835)
Net book amount at 31 December 2019	257	4,667	4,924
Net book amount at 31 December 2018	159	6,052	6,211

Briggs Equipment UK Limited

**Notes to the financial statements
for the year ended 31 December 2019 (continued)**

11 Tangible assets

	Land, building and leasehold improvements	Rental equipment	Plant and machinery	Fixtures and fittings	Computer hardware	Total
Group	£000	£000	£000	£000	£000	£000
Cost						
At 1 January 2019	7,299	496,680	3,207	2,625	4,087	513,898
Additions	853	99,305	1,063	364	548	102,133
Transfers out	-	(53,897)	(20)	(262)	262	(53,917)
Disposals	(45)	(1,463)	(477)	(18)	(2)	(2,005)
Acquisitions	512	51,798	4,539	664	192	57,705
Cumulative translation	(5)	(804)	(32)	(7)	(1)	(849)
At 31 December 2019	8,614	591,619	8,280	3,366	5,086	616,965
Accumulated Depreciation						
At 1 January 2019	(3,402)	(205,773)	(1,942)	(1,875)	(3,393)	(216,385)
Charge for the year	(162)	(68,111)	(1,064)	(232)	(287)	(69,856)
Transfers out	-	38,387	12	212	(203)	38,408
Disposals	45	1,189	420	5	2	1,661
Acquisitions	(463)	(19,890)	(2,131)	(592)	(177)	(23,253)
Cumulative translation	2	307	(1)	3	1	312
At 31 December 2019	(3,980)	(253,891)	(4,706)	(2,479)	(4,057)	(269,113)
Net book amount at 31 December 2019	4,634	337,728	3,574	887	1,029	347,852
Net book amount at 31 December 2018	3,897	290,907	1,265	750	694	297,513

Rental equipment is leased to customers under operating lease agreements. The rental assets of the Group are pledged as security for the Group's borrowings and are apportioned between the secured asset backed facility and other borrowings.

Transfers out represent transfers of rental equipment to inventory at the end of these operating leases.

Fixed assets are included at full historical cost to the Group.

Included in land, building and leasehold improvements is freehold land of £nil (2018: £nil).

Briggs Equipment UK Limited

**Notes to the financial statements
for the year ended 31 December 2019 (continued)**

11 Tangible assets (continued)

The net book value of land, building and leasehold improvements comprises:

Group	2019 £000	2018 £000
Long leasehold	4,482	3,807
Short leasehold	152	90
Net book value	4,634	3,897

Briggs Equipment UK Limited

**Notes to the financial statements
for the year ended 31 December 2019 (continued)**

11 Tangible assets (continued)

	Land, building and leasehold improvements	Rental equipment	Plant and machinery	Fixtures and fittings	Computer hardware	Total
Company	£000	£000	£000	£000	£000	£000
Cost						
At 1 January 2019	7,144	480,494	2,410	2,465	4,069	496,582
Additions	688	85,092	400	352	509	87,041
Transfers out	-	(45,357)	-	-	-	(45,357)
Acquisitions	-	-	20	-	-	20
Disposals	(45)	(1,333)	(15)	(6)	(2)	(1,401)
At 31 December 2019	7,787	518,896	2,815	2,811	4,576	536,885
Accumulated Depreciation						
At 1 January 2019	(3,374)	(199,297)	(1,625)	(1,830)	(3,385)	(209,511)
Charge for the year	(113)	(62,342)	(335)	(203)	(241)	(63,234)
Transfers out	-	32,371	-	-	-	32,371
Disposals	44	1,060	15	5	2	1,126
At 31 December 2019	(3,443)	(228,208)	(1,945)	(2,028)	(3,624)	(239,248)
Net book amount at 31 December 2019	4,344	290,688	870	783	952	297,637
Net book amount at 31 December 2018	3,770	281,197	785	635	684	287,071

The net book value of land, building and leasehold improvements comprises:

	2019 £000	2018 £000
Long leasehold	4,309	3,770
Short leasehold	35	-
Net book value	4,344	3,770

Briggs Equipment UK Limited

Notes to the financial statements for the year ended 31 December 2019 (continued)

12 Investments

Company	2019 £000	2018 £000
At 1 January	7,026	3,629
Additions	34,759	3,397
At 31 December	41,785	7,026
Comprising:		
Northern Forklift (Scotland) Limited	9,411	-
Balloo Hire Centre Limited	18,034	-
Hiremech Holdings Limited	7,314	-
Hitec Lift Trucks Limited	3,397	3,397
Briggs Equipment Ireland Limited	3,629	3,629
	41,785	7,026

The company owns 100% of the ordinary share capital of Northern Forklift (Scotland) Limited (2018: 0%) with an investment value of £9,411,000 (2018: £nil). Northern Forklift (Scotland) Limited is incorporated in the United Kingdom. The address of the registered office of Northern Forklift (Scotland) Limited is Orbital 7, Orbital Way, Cannock, England, WS11 8XW.

The company owns 100% of the ordinary share capital of Balloo Hire Centre Limited (2018: 0%) with an investment value of £18,034,000 (2018: £nil). Balloo Hire Centre is incorporated in the United Kingdom. The address of the registered office of Balloo Hire Centre Limited is 31, Sydenham Road, Belfast, BT3 9DH.

The company owns 100% of the ordinary share capital of Hiremech Holdings Limited (2018: 0%) with an investment value of £7,314,000 (2018: £nil). Hiremech Holdings Limited is incorporated in the United Kingdom. The address of the registered office of Hiremech Holdings Limited is Orbital 7, Orbital Way, Cannock, England, WS11 8XW.

The company owns 100% of the ordinary share capital of Hitec Lift Trucks Limited (2018: 100%) with an investment value of £3,397,000 (2018: £3,397,000). Hitec Lift Trucks Limited is incorporated in the United Kingdom. The address of the registered office of Hitec Lift Trucks Limited is Orbital 7, Orbital Way, Cannock, England, WS11 8XW.

The company owns 100% of the ordinary share capital of Briggs Equipment Ireland Limited (2018: 100%) with an investment value of £3,629,000 (2018: £3,629,000). Briggs Equipment Ireland Limited is incorporated in the Republic of Ireland. The address of the registered office of Briggs Equipment Limited Ireland is Unit 1, Crosslands Business Park, Ballymount Road Lower, Dublin 12, Ireland, D12 C791.

All subsidiaries trade in the same sector as the parent company with the exception of Balloo Hire Centre Limited who trade within the hire of plant and tools to both the business and domestic market.

Briggs Equipment UK Limited

Notes to the financial statements for the year ended 31 December 2019 (continued)

12 Investments (continued)

The company, in its role as parent company to the group, has provided a statutory guarantee to certain subsidiaries for all outstanding liabilities at 31 December 2019. This enables them to take advantage of the exemption from obtaining a signed statutory audit opinion under section 479A of the Companies Act 2006. For the year ending 31 December 2019 the following subsidiaries were provided with a statutory guarantee:

Company	Registered Number
Northern Forklift (Scotland) Limited	03911775
Balloo Hire Centre Limited	NI020540
Hiremech Holdings Limited	04483665
Hiremech Limited	03639237
Hitec Lift Trucks Limited	04293356

13 Inventories

	Group		Company	
	2019 £000	2018 £000	2019 £000	2018 £000
Work in progress	1,265	1,369	1,220	1,244
Finished goods and goods for resale	26,805	24,858	24,186	21,923
	28,070	26,227	25,406	23,167

Inventories are stated after provisions for group and company impairment of; Group £2,357,000 (2018: £2,193,000) and company £1,942,000 (2018: £1,919,000) respectively.

Briggs Equipment UK Limited

**Notes to the financial statements
for the year ended 31 December 2019 (continued)**

14 Debtors: amounts falling due within one year

	Note	Group		Company	
		2019 £000	2018 £000	2019 £000	2018 £000
Trade debtors		58,195	48,214	46,916	45,238
Amounts owed by Group undertakings		-	-	15,527	9,659
Deferred tax asset	18	51	49	51	49
Other debtors		3,384	2,781	3,120	2,770
Prepayments and accrued income		2,715	2,234	2,438	2,171
		64,345	53,278	68,052	59,887

Trade debtors are stated after provisions for impairment of Group £951,000 (2018: £537,000), Company £545,000 (2018: £394,000).

Amounts owed by group undertakings are unsecured, interest free and payable on demand.

Debtors: amounts falling due after more than one year

	Note	Group		Company	
		2019 £000	2018 £000	2019 £000	2018 £000
Deferred tax asset	18	690	770	690	770
Other debtors		124	269	124	269
		814	1,039	814	1,039

Other debtors relate to the repurchase value of equipment which is the subject of repurchase commitments given by the Group.

Briggs Equipment UK Limited

**Notes to the financial statements
for the year ended 31 December 2019 (continued)**

15 Creditors: amounts falling due within one year

		Group		Company	
	Note	2019 £000	2018 £000	2019 £000	2018 £000
Trade creditors		35,052	30,034	28,257	27,756
Amounts owed to Parent undertakings		48	49	48	49
Taxation and social security		5,488	4,118	3,729	3,852
Other borrowings	16	10,230	4,276	1,429	2,901
Accruals and deferred income		30,317	29,174	27,070	27,301
		81,135	67,651	60,533	61,859

Non financing amounts payable to Parent undertakings are typically settled monthly. Amounts owed to parent undertakings are unsecured, interest free and payable on demand.

Creditors: amounts falling due after more than one year

		Group		Company	
	Note	2019 £000	2018 £000	2019 £000	2018 £000
Amounts falling due between one and five years					
Amounts owed to Parent undertakings		13,828	14,045	13,828	14,045
Other borrowings	16	12,052	4,711	1,220	2,761
Asset backed borrowings	16	224,337	208,725	223,223	209,065
Accruals and deferred income		124	269	124	269
		250,341	227,750	238,395	226,140

Amounts falling due after more than 5 years

Other borrowings	16	89	82	80	82
		250,430	227,832	238,475	226,222

Briggs Equipment UK Limited

Notes to the financial statements for the year ended 31 December 2019 (continued)

15 Creditors: amounts falling due within one year (continued)

Amounts owed to group undertakings falling due between one and five years represents unsecured interest bearing affiliated company loans which are repayable on 12 June 2024. Interest rates are advised by the ultimate Parent Company and aligned to LIBOR.

Accruals and deferred income relates to the Group's contractual repurchase commitment of assets funded through third party finance houses. The Group is not legally obliged to settle finances on some assets, however as the Group tends to settle these obligations in certain circumstances, an appropriate obligation has been recognised.

16 Loans and other borrowings

	Group		Company	
	2019 £000	2018 £000	2019 £000	2018 £000
Asset backed borrowings	224,337	208,725	223,223	209,065
Other borrowings	22,371	9,069	2,729	5,744
	246,708	217,794	225,952	214,809

Asset backed borrowings of £224,337,000 (2018: £208,725,000) represent amounts drawn under the Group's secured credit facility, net of unamortised issue costs of £2,429,000 (2018: £999,000). The debt is subject to covenants based on Group EBITDA in relation to the level of borrowing and headroom. The facility, which was entered into in December 2019, expires in December 2024 and has an effective interest rate of 1.9% plus LIBOR. The borrowings are secured on rental fleet assets, inventory and trade receivables.

Other borrowings of £22,371,000 (2018: £9,069,000) represents amounts due under a sale and leaseback transaction secured on certain of the Group's rental fleet assets and a segregated cash balance which has been accounted for as secured debt (2019: £2,729,000 (2018: £5,744,000)), along with hire purchase agreements in place at Briggs Equipment Ireland Limited, Hitec Lift Trucks Limited, Hiremech Limited, Balloo Hire Centre Limited and Northern Forklift (Scotland) Limited (2019: £19,642,000 (2018: £3,325,000)).

Briggs Equipment UK Limited**Notes to the financial statements
for the year ended 31 December 2019 (continued)****17 Provisions for liabilities**

Group	Dilapidations	Deferred Tax	Total
	£000	£000	£000
At 1 January 2019	273	108	381
Additions dealt with in the profit and loss account	-	150	150
Acquisitions	-	1,550	1,550
Amounts utilised	(273)	-	(273)
Unused amounts reversed to the profit and loss account	-	-	-
At 31 December 2019	-	1,808	1,808

Dilapidation provision relates to property leasing arrangements where there is an obligation to repair damages incurred during the life of the lease, such as wear and tear. The cost is charged to the profit and loss as the obligation arises. The provision has been utilised in line with lease termination.

Company	Dilapidations	Total
	£000	£000
At 1 January 2019	273	273
Additions dealt with in the profit and loss account	-	-
Amounts utilised	(273)	(273)
At 31 December 2019	-	-

Briggs Equipment UK Limited**Notes to the financial statements
for the year ended 31 December 2019 (continued)****18 Deferred tax**

Deferred tax consists of the following deferred tax assets:

	2019 £000	2018 £000
Decelerated capital allowances	700	749
Other timing differences	41	70
Total deferred tax	741	819

	2019 £000
As at 1 January 2019	819
Net effect to profit and loss account	(78)
As at 31 December 2019	741

Deferred tax consists of the following deferred tax liabilities:

	2019 £000	2018 £000
Accelerated capital allowances	1,808	108
Total deferred tax	1,808	108

	2019 £000
As at 1 January 2019	108
Acquisitions	1,550
Net effect to profit and loss account	150
As at 31 December 2019	1,808

Briggs Equipment UK Limited

**Notes to the financial statements
for the year ended 31 December 2019 (continued)**

19 Called up share capital

	No.	£000
Authorised equity shares of £1 each		
At 31 December 2018 and at 31 December 2019	99,729,490	99,729
Allotted and fully paid ordinary shares of £1 each		
At 31 December 2018	69,800,000	69,800
Shares issued in 2019	27,600,000	27,600
At 31 December 2019	97,400,000	97,400

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

A total of 27,600,000 new shares were allotted at par on 4 December 2019 for cash consideration. All shares were issued to the Company's immediate parent company.

Briggs Equipment UK Limited

**Notes to the financial statements
for the year ended 31 December 2019 (continued)**

20 Notes to the statement of cash flows

Cash flow from operating activities is as follows:

	2019	2018
	£000	£000
Profit for the financial year	3,514	4,424
Adjustments for:		
Tax on profit	3,473	2,306
Net interest expense	8,254	7,224
Operating profit	15,241	13,954
Amortisation of intangible fixed assets	3,295	1,942
Depreciation of tangible fixed assets	69,856	60,344
(Profit)/Loss on disposal of tangible fixed assets	(100)	77
Profit on disposal of rental equipment	(2,632)	(2,238)
Working capital movements:		
- Decrease/(increase) in inventories	184	(4,159)
- Increase in debtors	(4,651)	(3,321)
- Decrease in payables	(2,879)	(4,014)
Cash flow from operating activities	78,314	62,585

Analysis of changes in net debt is as follows:

	At 1	Cash	Non-cash	At 31
	Jan 2019	flows	flows	Dec 2019
	£000	£000	£000	£000
Cash and equivalents	14,507	(9,995)	-	4,512
Inter-company loans	(14,045)	216	-	(13,829)
Asset backed borrowings	(208,725)	(14,976)	(636)	(224,337)
Other borrowings	(9,069)	3,504	(16,806)	(22,371)
Total	(217,332)	(21,251)	(17,442)	(256,025)

Briggs Equipment UK Limited**Notes to the financial statements
for the year ended 31 December 2019 (continued)****21 Financial instruments**

The Group has the following financial instruments:

	2019	2018
	£000	£000
<hr/>		
Financial assets that are debt instruments measured at amortised cost:		
Trade receivables	58,195	48,214
Other receivables	3,508	3,050
	<hr/> 61,703	<hr/> 51,264
<hr/>		
Financial liabilities measured at amortised cost:		
Asset backed borrowings	224,337	208,725
Other borrowings	22,371	9,069
Trade creditors	35,052	30,034
Amounts owed to Group undertakings	13,876	14,094
	<hr/> 295,636	<hr/> 261,922
	<hr/>	

Briggs Equipment UK Limited

Notes to the financial statements for the year ended 31 December 2019 (continued)

21 Financial instruments (continued)

The Company has the following financial instruments:

	2019 £000	2018 £000
Financial assets that are debt instruments measured at amortised cost:		
Trade receivables	46,916	45,238
Other receivables	3,244	3,039
Amounts owed by Group undertakings	15,527	9,659
	65,687	57,936
Financial liabilities measured at amortised cost:		
Asset backed borrowings	223,223	209,065
Other borrowings	2,729	5,744
Trade creditors	28,257	27,756
Amounts owed to Group undertakings	13,876	14,094
	268,085	256,659

22 Derivative Financial Instruments

The Group enters into forward foreign currency contracts to mitigate the exchange rate risk for certain foreign currency payables. At 31 December 2019, the outstanding contracts all mature within 9 months of the year end. The Group is committed to buy €5,780,800 (2018: €9,000,000) and pay a fixed sterling amount of £5,138,000 (2018: £8,108,000).

The group entered into an interest rate hedge contract to mitigate the risk of change to interest rates. The contract commenced 31 May 2018 and expires on 17 July 2020. At 31 December 2019, the notional amount hedged was £94,750,000 with a market value of £1,000.

Briggs Equipment UK Limited**Notes to the financial statements
for the year ended 31 December 2019 (continued)****23 Capital and other commitments**

At 31 December the Group had the following capital commitments:

	2019	2018
	£000	£000
Contracts for future capital expenditure not provided in the financial statements – property, plant and equipment	33,369	45,621

At 31 December the Company had the following capital commitments:

	2019	2018
	£000	£000
Contracts for future capital expenditure not provided in the financial statements – property, plant and equipment	31,169	35,516

The Group had the following future minimum lease payments payable under non-cancellable operating leases for each of the following periods:

	2019	2018
	£000	£000
Payments due:		
Not later than one year	4,965	5,616
Later than one year and not later than five years	8,741	9,397
Later than five years	14,319	2,842
	28,025	17,855

Briggs Equipment UK Limited

**Notes to the financial statements
for the year ended 31 December 2019 (continued)**

23 Capital and other commitments (continued)

The Company had the following future minimum lease payments payable under non-cancellable operating leases for each of the following periods:

	2019	2018
	£000	£000
Payments due:		
Not later than one year	4,419	5,616
Later than one year and not later than five years	7,921	9,397
Later than five years	13,655	2,842
	25,995	17,855

Briggs Equipment UK Limited**Notes to the financial statements
for the year ended 31 December 2019 (continued)****24 Leasing agreements**

The Group had the following future minimum lease receivables under non-cancellable operating leases for each of the following periods:

	2019	2018
	£000	£000
<hr/>		
Amounts receivable due:		
Not later than one year	99,212	99,485
Later than one year and not later than five years	186,635	202,558
Later than five years	17,679	21,144
	<hr/> 303,526	<hr/> 323,187

The Company had the following future minimum lease receivables under non-cancellable operating leases for each of the following periods:

	2019	2018
	£000	£000
<hr/>		
Amounts receivable due:		
Not later than one year	97,505	97,526
Later than one year and not later than five years	183,070	199,087
Later than five years	17,653	21,128
	<hr/> 298,228	<hr/> 317,741

Briggs Equipment UK Limited

Notes to the financial statements for the year ended 31 December 2019 (continued)

25 Acquisitions

On the 2 January 2019, the Company acquired 100% of the share capital of Hiremech Holdings Limited, a company located in the United Kingdom trading as Hiremech Limited.

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition along with their associated fair values.

	Book Value	Fair Value Adjustments	Fair Value
	£000	£000	£000
Tangible Assets	5,523	-	5,523
Current Assets:			
Stocks	214	-	214
Debtors	1,442	-	1,442
Cash	501	-	501
Total Assets	7,680	-	7,680
Creditors: amounts falling due within one year	(2,488)	(40)	(2,528)
Creditors: amounts falling due after one year	(1,609)	-	(1,609)
Net assets acquired	3,583	(40)	3,543
Goodwill			3,771
Cash Consideration			7,314

Fair value adjustments in respect of all asset classes relate to the alignment to Group policy.

The cash consideration includes directly attributable expenses of £153,000.

For the twelve months ended 31 December 2019, Hiremech Limited contributed revenue of £8,719,000 and a profit before tax of £411,000 to the Group's results.

£1,753,000 of the cash consideration is deferred. Deferred consideration is payable in instalments in January 2020, January 2021 and January 2022

Briggs Equipment UK Limited

Notes to the financial statements for the year ended 31 December 2019 (continued)

25 Acquisitions (continued)

On the 31 March 2019, the Company acquired 100% of the share capital of Balloo Hire Centre Limited, a company located Northern Ireland and trading as Balloo Hire Centre Limited.

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition along with their associated fair values.

	Book Value	Fair Value Adjustments	Fair Value
	£000	£000	£000
Tangible Assets	21,834	-	21,834
Current Assets:			
Stocks	285	-	285
Debtors	3,322	-	3,322
Cash	1	-	1
Total Assets	25,442	-	25,442
Creditors:			
amounts falling due within one year	(9,375)	-	(9,375)
Creditors:			
amounts falling due after one year	(7,773)	-	(7,773)
Net assets acquired	8,294	-	8,294
Goodwill			9,740
Cash Consideration			18,034

Fair value adjustments in respect of all asset classes relate to the alignment to Group policy.

The cash consideration includes directly attributable expenses of £240,000.

For the nine months ended 31 December 2019, Balloo Hire Centre Limited contributed revenue of £10,560,000 and a profit before tax of £1,107,000 to the Group's results.

Deferred consideration of £500,000 is due to be paid in March 2020.

Briggs Equipment UK Limited**Notes to the financial statements
for the year ended 31 December 2019 (continued)****25 Acquisitions (continued)**

On the 31 August 2019, the Company acquired 100% of the share capital of Northern Forklift (Scotland) Limited, a company located in the United Kingdom and trading as Northern Forklift (Scotland) Limited.

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition along with their associated fair values.

	Book Value	Fair Value Adjustments	Fair Value
	£000	£000	£000
Tangible Assets	7,069	-	7,069
Current Assets:			
Stocks	288	-	288
Debtors	1,059	-	1,059
Cash	1,444	-	1,444
Total Assets	9,860	-	9,860
Creditors: amounts falling due within one year	(2,188)	(21)	(2,209)
Creditors: amounts falling due after one year	(2,663)	(83)	(2,746)
Net assets acquired	5,009	(104)	4,905
Goodwill			4,505
Cash Consideration			9,410

Fair value adjustments in respect of all asset classes relate to the alignment to Group policy.

The cash consideration includes directly attributable expenses of £201,000.

For the four months ended 31 December 2019, Northern Forklift (Scotland) Limited contributed revenue of £2,481,000 and a profit before tax of £388,000 to the Group's results.

Deferred consideration of £500,000 is due to be paid in August 2020 and £500,000 in August 2021.

Briggs Equipment UK Limited

Notes to the financial statements for the year ended 31 December 2019 (continued)

26 Other Acquisitions

On the 22 January 2019, the Company made a purchase of the trading assets and liabilities of United Plant Services Limited, a company located in the United Kingdom trading as United Plant Services Limited.

On the 1 July 2019, Balloo Hire Centres Limited made a purchase of the trading assets and liabilities of Highway Plant Company Limited.

On the 1 October 2019, Balloo Hire Centres Limited made a purchase of the trading assets of Eco Hire.

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the dates of acquisition along with their associated fair values.

	Book Value	Fair Value Adjustments	Fair Value
	£000	£000	£000
Tangible Assets	644	-	644
Current Assets:			
Stocks	28	-	28
Debtors	-	-	-
Cash	-	-	-
Total Assets	672	-	672
Creditors:			
amounts falling due within one year	-	(41)	(41)
Creditors:			
amounts falling due after one year	(38)	-	(38)
Net assets acquired	634	(41)	593
Goodwill			193
Cash Consideration			786

Briggs Equipment UK Limited

Notes to the financial statements for the year ended 31 December 2019 (continued)

27 Related party transactions

The Group has taken advantage of the exemption contained within FRS 102 and not disclosed transactions or balances with companies that are fellow wholly owned subsidiaries of Sammons Enterprises Inc.

28 Controlling parties

The immediate parent undertaking is Briggs UK Holdings Inc., a Company incorporated in the United States of America.

The ultimate parent undertaking, controlling party and smallest and largest group to consolidate these financial statements is Sammons Enterprises Inc., a Company incorporated in the United States of America.

29 Post balance sheet event

As disclosed in the Future Developments element of the Strategic Report for the year ended 31 December 2019, the Group has been impacted by the COVID-19 pandemic in 2020. Given the pandemic we requested an extension to our statutory accounts filing deadline under our banking agreement. We received approval to this request from the banking syndicate on 3 July 2020 extending the deadline to 1 October 2020. However as the original filing deadline was 28 June 2020 and the approval was received shortly after this date, this gave rise to a technical breach. The extension given by the banking syndicate has waived this technical breach.

In addition to the impact on the demand for our services, we have experienced delays in the finalisation of financial statements for subsidiary companies. Consequently, the financial statements for certain subsidiary companies have not been provided to the Group's debt providers in accordance with the funding agreements. The debt providers have agreed an extension to 16 November 2020 for the subsidiary financial statements to be finalised and provided to them. No consequences are anticipated to arise from this situation.