

Briggs Equipment UK Limited
Annual report and financial statements
for the year ended 31 December 2021

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Briggs Equipment UK Limited

**Annual report and financial statements
for the year ended 31 December 2021**

Contents

	Page
Strategic report	3
Directors' report	8
Independent auditor's report	13
Group Statement of comprehensive income	17
Group and Company Statements of financial position	18
Group Statement of changes in equity	19
Company Statement of changes in equity	20
Group Cash flow Statement	21
Notes to the financial statements	22

Briggs Equipment UK Limited

Strategic report for the year ended 31 December 2021 (continued)

The directors present their strategic report on the Briggs Equipment UK Limited Group ('the Group') for the year ended 31 December 2021.

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

At the beginning of 2021 the UK entered another national lockdown in response to the Coronavirus pandemic. Unlike the initial impact observed in March 2020, the business was in a better position to respond and the consequent impact observed was less severe. Results substantially improved year on year and little support was taken from the Government's Coronavirus Job Retention Scheme in 2021: £145,000 (2020: £5,434,000). Profit before tax for the year of £19,752,000 is a record level of profit for the business and represents a significant increase on the performance in 2020 of £4,287,000.

Overall revenues increased by 20.7% in 2021 to £320,725,000 (2020: £265,812,000). Operating profit increased by £13,768,000 and return on turnover increased from 4.0% to 7.6%.

Strong cash management resulted in the Group reducing its net debt by £19,415,000 compared to the previous year, exiting the year with a net debt of £203,819,000.

In 2021 the Group continued its acquisition strategy, further expanding its product offering and geographic penetration with several acquisitions in Great Britain, Northern Ireland and the Republic of Ireland, as well as entering into a joint venture arrangement with Amey plc after securing the MITER defence contract for the Ministry of Defence.

Charitable donations

Charity continues to be a key element of the culture of the Group. During the year, the Group donated over £250,000 for both local and national charities.

Principle risks and uncertainties

COVID 19 – Coronavirus Pandemic

Whilst the business has performed substantially better during 2021, despite ongoing disruption from the pandemic, the Board remains mindful that future disruption cannot be ruled out. Key measures used during the pandemic, such as the ability to work from home and the increased use of virtual meeting technology, remain at the business's disposal, leaving the business well placed to react to any future pandemic challenges.

The Group is in a strong financial position with a £285,000,000 Asset Backed Loan facility from a syndicate of six banks led by Wells Fargo. All covenants are tested regularly and there is no forecasted breach of the agreement in the next 12 months.

Supply Chain Disruption

As global economies have re-opened after Covid lockdowns, equipment lead times within the global supply chain have lengthened extensively. This has resulted in a significant backlog of outstanding asset orders across the Group, leading to pressure on maintenance costs as assets are required to run longer than expected. In order to mitigate this impact, the business uses both its industry expertise and wide portfolio of assets to optimise the usage of its fleet assets.

Briggs Equipment UK Limited

Strategic report for the year ended 31 December 2021 (continued)

Principle risks and uncertainties (continued)

Inflationary Pressures

The high levels of inflation compared to the recent past has resulted in cost increases across the Group as suppliers increase prices. Base rate rises by the Bank of England will also result in higher interest charges on the Group's borrowing facility. Accordingly the business has raised its prices where contractually able to do so, continues to actively review product pricing to ensure competitiveness and is continually monitoring its cost base.

War in Ukraine

The war in Ukraine has not directly impacted the business outside of the wider global economic impacts associated with the conflict.

Brexit

In 2021, following the end of the transition period on 31 December 2020, the Group's supply chain was affected by the introduction of new customs rules on the movement of equipment and parts into and out of the UK and between Great Britain and Northern Ireland.

The business has adapted its processes to minimise any adverse impact, for example increasing its spare part stockholding where expedient to do so. The business also regularly engages with independent 3rd party advisors to ensure it is compliant with the legislative requirements of post-Brexit cross border movements.

Future developments

Our medium-term forecast indicates that we will see continued growth in revenues and earnings in both 2022 and 2023. Our parent remains supportive and injected £27,450,482 of equity in 2021 for business growth and has injected a further £15,502,313 thus far during 2022 for the following acquisitions:

1. On 4 February 2022, the Group completed the acquisition of 100% of the share capital of Aerial Platform Hire Limited, operating in the Republic of Ireland.
2. On 16 May 2022, the Group completed the acquisition of 100% of the share capital of Access Plus Limited, Trainingplus.com Limited and Rosemount Holdings Limited all operating in the UK.

During 2021, the business began to develop plans for a new five-year strategy beginning in 2022 following the disruption caused by the pandemic. One of the main features of this strategy is the business embarking on a Digital Transformation Program that will focus on delivering an improved customer offering, developing our people and improving the capital efficiency of our assets. The core element to this is the replacement of the Company and wider Group Enterprise Resource Planning (ERP) systems with one new operating system, IFS (Industrial and Financial Systems). In addition, we intend to add further acquisitions as appropriate opportunities are identified.

Briggs Equipment UK Limited

Strategic report for the year ended 31 December 2021 (continued)

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.

Interest rate risk

The Group's borrowings are subject to variable interest rates. The Group mitigates this risk by continual monitoring and entry into appropriate derivative hedge arrangements in line with its hedging policy.

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.

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 takes appropriate actions as required.

Briggs Equipment UK Limited

Strategic report for the year ended 31 December 2021 (continued)

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	2021	2020	Definition, method of calculation and analysis
Growth/(Reduction) in turnover (%)	20.7%	(4.3%)	Year on year turnover growth expressed as a percentage. Turnover increased in the year as result of significant business upturn following the initial impact of the COVID-19 pandemic.
EBITDA return on turnover (%)	32%	34%	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 reduced in the year primarily reflecting additional overhead costs required to administer the enlarged Group.
Working capital (“Quick”) ratio	1.2	1.2	Working capital ratio of current assets to current liabilities. Inventory and debtor management maintained a relatively static performance in the year.

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

The Board of Directors (the “Board”) confirms 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 its 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 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 employee training and development and has a successful apprenticeship programme.

Briggs Equipment UK Limited

**Strategic report
for the year ended 31 December 2021 (continued)**

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

Business relationships

We aim to exceed our customers' expectations, through regular communication and delivering high quality products and services to our customers. We continually seek 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 making a positive contribution to the local community and the environment. Charity is a key element of the culture of the Group, partnering with a national charity to raise funds each year but also continuing to be involved in more local projects. We also aim to reduce the Company's impact on the environment, for example, through carbon emission reductions, energy saving initiatives and waste reduction.

Shareholders

The Company is part of a wider group and maintains regular ongoing dialogue with its parent company.

Regulators

The Board ensures the Company is in compliance with all regulatory requirements. In particular, ensuring compliance with health and safety regulations and the Modern Slavery Act. The Board also actively promotes high standards of ethical behaviour through a number of values which are regularly communicated to employees and where appropriate shared with 3rd party stakeholders.

Approved by the Board of Directors and signed on its behalf by:



P B Jones
Director

27 June 2022

Briggs Equipment UK Limited

Directors' report for the year ended 31 December 2021

The directors present their report and the audited consolidated financial statements of the Group for the year ended 31 December 2021.

Future developments

An indication of future developments of the business is included in the Strategic Report on page 5.

Share capital

As disclosed in note 21, the Company issued share capital of £27,450,482 during the year.

Dividends

The directors do not recommend the payment of a dividend (2020: no dividend paid).

Financial risk management

Financial risk management is described in the Strategic Report on page 5.

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
H L Kreager

Company Secretary

The offices of Company Secretary during the year and up to the date of signing the financial statements were fulfilled by:

I Wilton
Y Brown

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 to 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 ensures 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 2021 (continued)

Post balance sheet events

On 4 February 2022, the Group completed the acquisition of 100% of the share capital of Aerial Platform Hire Limited, operating in the Republic of Ireland.

On 16 May 2022, the Group completed the acquisition of 100% of the share capital of Access Plus Limited, Trainingplus.com Limited and Rosemount Holdings Limited, all operating in the United Kingdom.

Going concern

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

Branches outside the UK

The Group has operations in the Republic of Ireland.

Briggs Equipment UK Limited

Directors' report for the year ended 31 December 2021 (continued)

Streamlined Energy and Carbon Reporting

The UK Government's Streamlined Energy and Carbon Reporting ("SECR") policy was implemented on 1 April 2019. The table below represents the Group's energy use and associated greenhouse gas ("GHG") emissions from electricity and fuel in the UK and the Republic of Ireland for the year ended 31 December 2021 and 31 December 2020 respectively. The data covers 38 (2020: 31) sites in the UK and Republic of Ireland.

Greenhouse gas emissions and energy use data for the years to 31 December 2021 and to 31 December 2020

UK and Republic of Ireland Energy consumption	2021	2020
Energy consumption used to calculate emissions (kWh)	26,057,870	21,206,277
Scope 1 emissions in metric tonnes CO₂e		
Purchased Gas	541	479
Other fuels	179	108
Group vehicles	4,205	2,529
Scope 2 emissions in metric tonnes CO₂e (location based)		
Purchased electricity	634	611
Scope 3 emissions in metric tonnes CO₂e		
Employee cars	16	16
Total gross emissions in metric tonnes CO₂e	5,575	3,743
Intensity ratio total tonnes CO₂e per employee	3	2

Methodology

The Group reports on energy consumption in the UK and associated GHG emissions in compliance with the SECR legislation for large unquoted companies. Additionally, energy consumption and associated GHG emissions from Group operations in Republic of Ireland are reported on a voluntary basis.

Scope

The scope includes solely UK and Republic of Ireland operations and all Group entities on a consolidated basis: Briggs Equipment UK Limited, Briggs Equipment Ireland Limited, Hitec Lift Trucks Limited, Hiremech Limited, Balloo Hire Centre Limited, Northern Forklifts (Scotland) Limited, Gwynedd Forklifts Limited, JB Plant Hire Limited, JB Plant Hire (Dungannon), Forkway Group Limited, Laois Hire Services and Balloo Hire Limited. Reported energy consumption and associated carbon emissions include gas and electricity consumption in Group facilities in the UK and Republic of Ireland, as well as fuel consumption from transport. Transport includes Group leased cars, vans, lorries and business travel in employee-owned vehicles.

Period

The reported figures cover the period from 1 January 2021 to 31 December 2021, and the previous year in line with the financial reporting period.

Briggs Equipment UK Limited

Directors' report for the year ended 31 December 2021 (continued)

Streamlined Energy and Carbon Reporting (continued)

Calculation methodology

The reporting methodology used is the GHG Protocol Corporate Accounting and Reporting Standard, using the operational control approach. Reported figures are based on actual data and estimates.

Electricity and gas consumption data comes from meter readings and invoices provided by energy suppliers. Where actual data is not available, estimates based on average consumption have been used. Company car and van data is collected via mileage. Business travel from employee-owned car data is based upon mileage claim records.

Emission factors used to calculate GHG emissions for the UK come from the UK Department of Business Energy and Industrial Strategy ("BEIS 2020") and from leasing contracts for leased cars and vans. Emission factors used to calculate GHG emissions for the Republic of Ireland come from the Sustainable Energy Authority of Ireland ("SEAI").

Scope 1 includes emissions associated with gas consumption and other fuel purchased by the Group. It also includes emissions associated with Group leased cars and vans. Refrigerant leakage is not material and excluded from Scope 1. Scope 2 includes emissions associated with electricity consumption and is calculated based on the location-based approach. Scope 3 includes emissions associated with business travel in employee-owned cars. The intensity ratio presented is calculated based on total tonnes CO₂e emissions divided by the average number of employees in the UK and Republic of Ireland in the reporting period.

The Group continues to invest in energy efficient lighting in its core facilities and the installation of a Vehicle Management System in all its commercial and employee vehicles. During 2021 the business began an initiative to plant trees for all trucks sold, to mitigate the impact its trucks have on CO₂ emissions.

Efficiency measures

To date the Group has carried out the following initiatives to increase energy efficiency:

- replacement of all lighting with LED at the main depot locations: Abingdon, Cannock, Cumbernauld, Haydock and Maidenhead;
- standardised air conditioning controls to maintain optimum conditions;
- optimised heating to maintain more efficient temperature to avoid overheating;
- formalised energy management monitoring and measuring through sole supplier for more accurate measurement at all company depots;
- implement "follow you print" card access to reduce accidental over printing, reducing the number of printers required;
- use of recycled paper in all printers;
- started to phase out vans with emissions ratings greater than 180gCO₂/km;
- ongoing use of vehicle telematics across car and van fleet, including an in-cab coaching system;
- GPS telematic tracking allowing more effective engineer dispatch, monitoring and journey measurement;
- ongoing uptake of full electric and plug in hybrid company vehicles; and
- launched the "plant a tree for every truck we sell" initiative.

Briggs Equipment UK Limited

Directors' report for the year ended 31 December 2021 (continued)

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 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

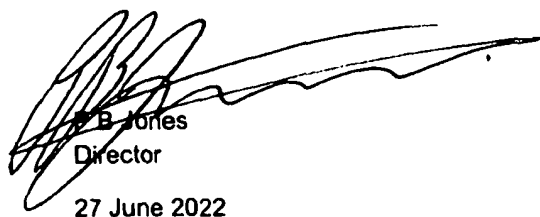
In the case of each director in office at the date the Directors' Report is approved:

- 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

In 2021 the Board appointed Mazars LLP to act as its UK reporting auditor. Mazars LLP, has indicated its willingness to continue in office and a resolution concerning its reappointment will be proposed at the Annual General Meeting.

Approved by the Board of Directors and signed on their behalf by:


B. Jones
Director
27 June 2022

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Briggs Equipment UK Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise of the Group Statement of comprehensive income, the Group and Company Statements of financial position, the Group and Company Statement of changes in equity, the Group cash flow statement and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2021 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Briggs Equipment UK Limited

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 12, 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.

Briggs Equipment UK Limited

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

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 the financial statements.

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

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.

Based on our understanding of the company and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, anti-money laundering regulation and non-compliance with implementation of government support schemes relating to COVID-19.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as: tax legislation, pension legislation and the Companies Act 2006.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to, revenue recognition (which we pinpointed to the cut-off assertion), and significant one-off or unusual transactions.

Briggs Equipment UK Limited

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

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

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at. This description forms part of our auditor's report.

Use of the audit report

This report is made solely to the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

Ian Holder

Ian Holder (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Two Chamberlain Square
Birmingham
B3 3AX

28th June 2022

Briggs Equipment UK Limited**Group Statements of comprehensive income
for the year ended 31 December 2021**

		2021	2020
	Note	£000	£000
Turnover	5	320,725	265,812
Cost of sales		(211,928)	(191,481)
Gross profit		108,797	74,331
Distribution costs		(15,887)	(9,454)
Administrative expenses	6	(68,697)	(59,721)
Other operating income	7	145	5,434
Operating profit	8	24,358	10,590
Interest receivable and similar income	10	5	-
Interest payable and similar charges	10	(4,880)	(6,303)
Net interest expense	10	(4,875)	(6,303)
Share of profit of associates	14	269	-
Profit before taxation		19,752	4,287
Tax on profit	11	(6,535)	(2,608)
Profit for the financial year		13,217	1,679
Other comprehensive (expense) / income		(566)	458
Total comprehensive income for the financial year		12,651	2,137

The above results all relate to continuing operations.

The notes on pages 22 to 69 are an integral part of these financial statements.

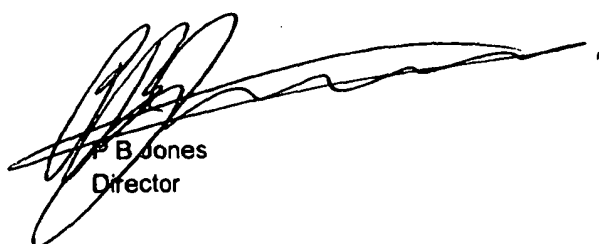
Briggs Equipment UK Limited

**Group and Company Statements of financial position
as at 31 December 2021**

		Group		Company	
	Note	2021 £000	2020 £000	2021 £000	2020 £000
Fixed assets					
Intangible assets	12	32,320	25,089	1,979	3,434
Tangible assets	13	356,095	344,446	259,057	283,448
Investments	14	9,519	-	75,857	50,528
		397,934	369,535	336,893	337,410
Current assets					
Inventories	15	19,156	24,202	14,587	20,332
Debtors	16	74,340	68,360	84,076	69,353
Cash at bank and in hand		8,928	5,960	2,137	2,270
		102,424	98,522	100,800	91,955
Creditors: amounts falling due within one year	17	(88,091)	(85,358)	(59,311)	(64,358)
Net current assets		14,333	13,164	41,489	27,597
Total assets less current liabilities		412,267	382,699	378,382	365,007
Creditors: amounts falling due after more than one year	17	(204,744)	(220,392)	(174,085)	(202,998)
Provisions for liabilities	19	(8,708)	(3,593)	(3,667)	(1,052)
Net assets		198,815	158,714	200,630	160,957
Capital and reserves					
Called up share capital	21	142,850	115,400	142,850	115,400
Retained earnings		55,965	43,314	57,780	45,557
Total equity		198,815	158,714	200,630	160,957

The company profit for the year is £12,223,000 (2020: £1,675,000).

The financial statements on pages 17 to 69 were approved by the Board of Directors on 27 June 2022 and were signed on its behalf by:



B. Jones
Director

Registered Number: 05895588

Briggs Equipment UK Limited

**Group Statement of changes in equity
for the year ended 31 December 2021**

	Note	Called- up share capital £000	Retained earnings £000	Total equity £000
Balance at 1 January 2020		97,400	41,177	138,577
Profit for the year		-	1,679	1,679
Other comprehensive income		-	458	458
Issue of new Share Capital		18,000	-	18,000
Balance as at 31 December 2020		115,400	43,314	158,714
Balance at 1 January 2021		115,400	43,314	158,714
Profit for the year		-	13,217	13,217
Other comprehensive expense		-	(566)	(566)
Issue of new Share Capital	21	27,450	-	27,450
Balance as at 31 December 2021		142,850	55,965	198,815

The notes on pages 22 to 69 are an integral part of these financial statements.

Briggs Equipment UK Limited

**Company Statement of changes in equity
for the year ended 31 December 2021**

	Note	Called- up share capital £000	Retained earnings £000	Total equity £000
Balance at 1 January 2020		97,400	43,882	141,282
Profit and total comprehensive income for the year		-	1,675	1,675
Issue of new Share Capital		18,000	-	18,000
Balance as at 31 December 2020		115,400	45,557	160,957
Balance at 1 January 2021		115,400	45,557	160,957
Profit and total comprehensive income for the year		-	12,223	12,223
Issue of new Share Capital	21	27,450	-	27,450
Balance as at 31 December 2021		142,850	57,780	200,630

The notes on pages 22 to 69 are an integral part of these financial statements.

Briggs Equipment UK Limited

**Group Cash flow Statement
for the year ended 31 December 2021**

	Note	2021 £000	2021 £000	2020 £000	2020 £000
Net cash inflow from operating activities	22		102,727		98,924
Taxation paid			(5,439)		(4,145)
Net cash generated from operating activities			97,288		94,779
Cash flow from investing activities					
Purchase of subsidiaries (net of cash acquired)	27	(21,216)		(7,970)	
Purchase of intangible assets		(392)		(14)	
Purchase of tangible fixed assets		(100,539)		(84,253)	
Proceeds from disposals of tangible fixed assets		31,674		21,070	
Investment in joint venture	14	(9,250)		-	
Interest received		5		-	
Net cash used in investing activities			(99,718)		(71,167)
Cash flow from financing activities					
(Repayment)/receipt of inter-company loans with Parent	22	(14,044)		215	
Repayment of asset backed borrowings	22	(4,709)		(31,213)	
Receipt/(repayment) of other borrowings	22	1,033		(3,253)	
Interest paid		(4,332)		(5,913)	
Proceeds from ordinary share capital issue		27,450		18,000	
Net cash generated from/(used in) financing activities			5,398		(22,164)
Net increase of cash and cash equivalents			2,968		1,448
Cash and cash equivalents at beginning of the year			5,960		4,512
Cash and cash equivalents at end of the year			8,928		5,960

Cash and cash equivalents consist of:

	2021 £000	2020 £000
Cash at bank and in hand	8,928	5,960
Cash and cash equivalents	8,928	5,960

The notes on pages 22 to 69 are an integral part of these financial statements.

Briggs Equipment UK Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

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 general business model of the Company and "the Group" (defined as the parent company, Briggs Equipment UK Limited, and all of its wholly owned subsidiary undertakings) is to buy assets outright and then lease them onto customers under long term full maintenance agreements or short-term hire agreements. After completion of an asset's initial life within the Group (whether on long term or short term hire), the strategy is to "second life" the asset within the Group and to that end the Group has acquired a number of businesses that operate in segments (both geographic and market) that enable this objective to be fulfilled. The nature of this business model and its associated arrangements mean that assets are owned and controlled by the Group for the vast majority of their useful economic lives and that substantially all the risks and rewards of ownership of an asset generally reside with the Company or the Group, and consequently these arrangements are treated as operating leases.

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. 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 statement of comprehensive income is published, a separate statement for the Company is not presented with the Group financial statements, as permitted by section 408 of the Companies Act 2006.

Briggs Equipment UK Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

3 Summary of significant accounting policies (continued)

Going concern

The Group meets its day to day working capital requirements through its available financing facilities. Whilst the current general economic conditions continue to create general economic uncertainty, the Group and Company are seeing increased demand for their services and products. In making their going concern assessment, the directors have prepared monthly cashflow forecasts and projections to 31 December 2025. After reviewing the Group and Company's forecasts and projections, even allowing for the impact of severe but plausible downside scenarios, the directors have a reasonable expectation that the Group and Company have 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 their 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.

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.

Translation

The trading results of Group undertakings are translated into sterling at the average exchange rates for the year. The assets and liabilities of overseas undertakings, including goodwill and fair value adjustments arising on acquisition, are translated at the exchange rates ruling at the year end. Exchange adjustments arising from the retranslation of opening net investments and from the translation of the profits or losses at average rates are recognised in other comprehensive income and allocated to non-controlling interests as appropriate.

Briggs Equipment UK Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

3 Summary of significant accounting policies (continued)

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.

The Group recognises revenue when (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the Group retains no continuing involvement or control over the goods and (c) when the specific criteria relating to each of the Group's sales channels have been met, as described below.

Sale of goods

The Group sells a range of equipment and parts, with revenue recognised during the period in which the product is delivered or when the significant risks and rewards of ownership of the goods have transferred to the buyer. Sale of goods is predominantly by credit or payment card.

Leasing

As explained in Note 1, the Company and the Group operate through leasing and rental arrangements that mean assets are owned and controlled by the Group for the vast majority of their useful economic lives and as such that substantially all the risks and rewards of ownership of an asset generally reside with the Company or the Group. Consequently, these arrangements are treated as operating leases. Revenue represents operating lease income for the hire of equipment on a long-term basis. Revenue is billed primarily monthly or quarterly in advance and is recognised in the month of hire and any advance is deferred until the period it relates to. Rental equipment is stated at cost less depreciation.

Sales of services

Sales of services revenue includes the following:

- Hire income for the rental of equipment on a short time basis. Revenue is recognised in the period in which short term hire is provided;
- Maintenance contract revenue where title to the rental asset resides with the Group, revenue is recognised on a straight-line basis over the anticipated period of the contract; and
- Engineering services revenue is primarily the repair and maintenance of customer owned equipment, and also the repair of Group owned equipment damaged on either a leasing or hire agreement where chargeable to the customer. Revenue is recognised in the period in which the engineering service is delivered.

Interest income

Interest income is recognised using the effective interest rate method.

Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

Briggs Equipment UK Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

3 Summary of significant accounting policies (continued)

Exceptional items

The Group and Company classify certain one-off charges 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. Examples of such items include significant one-off restructuring costs or costs resulting from the loss of a significant customer.

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 benefit is received.

Defined contribution pension plan

The Group operates a defined contribution pension plan for its employees. 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.

Taxation

Taxation expense for the year comprises current and deferred tax recognised in the reporting year. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or as equity.

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.

Briggs Equipment UK Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

3 Summary of significant accounting policies (continued)

Business combinations and goodwill

Business combinations are accounted for by applying the purchase method.

The cost of a business combination is the fair value of the consideration given, liabilities incurred or assumed and of equity instruments issued, plus the costs directly attributable to the business combination.

On acquisition of a business, fair values are attributed to the identifiable assets, liabilities and contingent liabilities unless the fair value cannot be measured reliably, in which case the value is incorporated in goodwill. Intangible assets are only recognised separately from goodwill where they are separable and arise from contractual or legal rights. Where the fair value of contingent liabilities cannot be reliably measured, they are disclosed on the same basis as other contingent liabilities.

Only goodwill has been recognised on all business combinations – no other intangible assets have been recognised within the Group.

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.

Intangible assets

Intangible assets are stated at cost less accumulated amortisation. Amortisation is calculated, using the straight-line method, to allocate the depreciable amount of the assets to their residual values over their estimated useful lives, as follows:

- Software 3–7 years

Amortisation is included in 'administrative expenses' in the statement of total comprehensive income.

Where factors, such as technological advancement or changes in market price, indicate that residual value or useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances.

Assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

Costs associated with maintaining computer software are recognised as an expense as incurred. Development costs directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use it;
- it can be demonstrated how the software will generate probable future economic benefits;

Briggs Equipment UK Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

3 Summary of significant accounting policies (continued)

Intangible assets (continued)

- adequate technical, financial and other resources to complete the development and to use the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred.

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.

Land and buildings include freehold workshops and offices. Land and buildings are stated at cost less accumulated depreciation.

Leasehold improvements, plant and machinery, fixtures and fittings and computer hardware are stated at cost less accumulated depreciation.

Rental equipment is stated at cost less accumulated depreciation. 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 when the equipment is intended for disposal.

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

Depreciation is calculated using the straight-line method to allocate cost to asset 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.

Asset 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.

Briggs Equipment UK Limited

**Notes to the financial statements
for the year ended 31 December 2021 (continued)**

3 Summary of significant accounting policies (continued)

Leased assets

Lessee

All lease contracts where the Group is a lessee are classified as operating leases.

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 statement of comprehensive income on a straight-line basis over the period of the lease.

Lease incentives

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.

Lessor

As described in Note 1, all lease contracts where the Group is a lessor are classified as operating leases as disclosed in revenue recognition.

Impairment of assets

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 ("CGU") 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 (CGU's). 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.

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.

Briggs Equipment UK Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

3 Summary of significant accounting policies (continued)

Repurchase commitments

Certain transactions between the Group and external financing companies can include a commitment from the Group 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 repayments discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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 within the same group. It does not disclose transactions with members of the same group that are wholly owned.

Briggs Equipment UK Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

4 Critical accounting judgements and estimation uncertainty

Group management and the Board of Directors make estimates and judgements about the future. These estimates and judgements impact recognised assets and liabilities, as well as revenue and expenses and other disclosures. These estimates and judgements 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 judgements that may have a significant effect on the carrying amounts of assets and liabilities within the financial year are:

Critical judgements in applying the entity's accounting policies

I. Leases

As explained in note 1, all customer leases are treated as operating leases. The Group retains the right to change assets during the course of a lease. The repair and maintenance requirements are at the risk of the Group and there is no right to purchase the asset from the Group at the end of the lease period. Any extensions to leases are solely at the Group's discretion and at rates proposed by the Group at the end of the lease.

The Group manages the disposal of assets and the impact of any loss or gain remains with the Group. In circumstances where the net present value of the minimum lease payments exceeds 90% of the fair value of the underlying asset at the inception of the lease, the Group examines the specific circumstances associated with the lease to ensure its treatment is correct.

There are some arrangements which exhibit certain characteristics of being finance leases, but in the opinion of the directors these are few in number and immaterial in value, so accounting for these as operating leases does not have a material impact on these financial statements. In making this assessment, the directors have assessed materiality in the context of this financial statement as equating to less than 2.0% of reported turnover.

II. Tangible and intangible assets

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 an assessed residual value. The carrying amount of the Group's fixed assets is tested as soon as changed conditions show that a potential need for impairment has arisen. Asset residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period.

III. Acquisition goodwill

Goodwill is stated at cost less accumulated amortisation. 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 potential impairment and any impairment is charged to the income statement. Reversals of impairment are recognised when the reasons for the impairment no longer apply.

Briggs Equipment UK Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

Critical judgements in applying the entity's accounting policies (continued)

IV. Impairment

The investment value of acquired businesses is evaluated at the point of acquisition to measure whether any separate intangible asset (e.g. trademarks) exists and to recognise the value in excess of net assets as goodwill. The value of any intangible assets recognised at acquisition is periodically reviewed for impairment purposes.

V. Investment

Investments in subsidiary companies are held at cost less impairment. A judgement made by the directors in preparing these financial statements is in relation to their assessment that the carrying value of the investments is not impaired, and that the value in use expectation of future cash flows associated with investment assets is a sufficiently robust and reliable measure, particularly when individual investments are loss making. This judgement is underpinned by a commitment from the parent company to provide financial support to loss making businesses to cover any funding gaps howsoever they arise for at least the next 12 months.

Critical accounting estimates and assumptions

I. Investment (note 14)

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 COVID 19 pandemic, actual results and cashflows may be different to the directors' 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.

II. Inventory (note 15)

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.

III. Dilapidation (note 19)

Dilapidations costs are estimated based on the opinions and judgement of external professional advisors, to determine the work that would need to be undertaken on an individual property basis.

IV. Depreciation (note 13)

Depreciation is calculated using the straight-line method to allocate cost to an asset's residual value over its estimated useful life. Asset residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period.

Briggs Equipment UK Limited

**Notes to the financial statements
for the year ended 31 December 2021 (continued)**

Critical accounting estimates and assumptions (continued)

V. Impairment

The Group's management annually reviews the valuation model that supported the initial business investment to identify if an impairment exists. The model uses a combination of historical actual performance and forecasts to determine future expected cashflows.

No impairment was identified as being required to be booked for the year ending 31 December 2021.

Briggs Equipment UK Limited

Notes to the financial statements for the year ended 31 December 2021 (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, hire of plant and tools and other associated equipment. An analysis of turnover by geography and category is given below:

Analysis of turnover by geography:

	2021 £000	2020 £000
Europe	23,347	13,385
Rest of world	65	39
Total exports	23,412	13,424
United Kingdom	297,313	252,388
	320,725	265,812

Analysis of turnover by category:

	2021 £000	2020 £000
Sale of goods	83,892	62,645
Leasing	79,640	80,362
Services	157,193	122,805
	320,725	265,812

6 Exceptional items

	2021 £000	2020 £000
Restructuring costs	-	1,126
	-	1,126

Exceptional items have been included within administrative expenses. At the end of 2020 the Group ran a voluntary early retirement scheme in conjunction with a small number of redundancies following some restructuring activities.

Briggs Equipment UK Limited

**Notes to the financial statements
for the year ended 31 December 2021 (continued)**

7 Other operating income

Group	2021 £000	2020 £000
Furlough contribution to wages and salaries	145	5,048
Furlough contribution to social security costs	-	307
Furlough contribution to other pension costs	-	79
	145	5,434

During the year the Group furloughed a small number of its employees for varying periods of time under the UK Government's Coronavirus Job Retention Scheme and under the Ireland Employee Wage Subsidy Scheme. Amounts received by the Group constitute a government grant and as of 31 December 2021, all conditions of both schemes have been met. The Group has recognised income of £145,000 (2020: £5,434,000) in respect of this grant.

Briggs Equipment UK Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

8 Operating profit

Operating profit is stated after charging/(crediting):

	2021 £000	2020 £000
Impairment of trade receivables	343	960
Impairment of inventory included in cost of sales	200	429
Amortisation of intangible assets	4,847	3,993
Depreciation of tangible assets	73,148	75,794
Property operating lease charges	2,927	2,600
Other operating lease charges	4,392	4,359
Loss/(gain) on disposal of tangible fixed assets	38	(19)
Foreign exchange gain	(756)	(208)
Dilapidations	2,772	960
Fees payable to the Company's auditors for the audit of the parent company and Group consolidated financial statements	212	177
Fees payable to the Company's auditors for other services:		
- Tax compliance services	94	103
- Tax advisory services	-	11
- Other services	24	3
Total non-audit services	118	117

The UK auditors for the year 2021 were Mazars LLP. PricewaterhouseCoopers LLP provided additional audit services in respect of USGAAP reporting and other services. No fees were paid to Mazars LLP other than for the 2021 audit.

Briggs Equipment UK Limited

**Notes to the financial statements
for the year ended 31 December 2021 (continued)**

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

Group	2021 £000	2020 £000
Wages and salaries	62,513	55,988
Social security costs	5,938	5,285
Other pension costs	3,376	3,149
Staff costs	71,827	64,422

Other pension costs of £3,376,000 (2020: £3,149,000) relate to the Group's payments in regard to defined contribution pension schemes.

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

By activity	2021 No.	2020 No.
Operational	826	848
Sales	158	161
Administration	635	554
	1,619	1,563

Briggs Equipment UK Limited

**Notes to the financial statements
for the year ended 31 December 2021 (continued)**

9 Employees and employee benefits (continued)

(b) Directors

The directors' emoluments were as follows:

	2021 £000	2020 £000
Aggregate emoluments	479	386
Aggregate amounts (excluding shares) receivable under long term incentive schemes	71	49
Group contributions to money purchase pension schemes	-	-
	550	435

The highest paid director's emoluments were as follows:

	2021 £000	2020 £000
Aggregate emoluments	479	386
Aggregate amounts (excluding shares) receivable under long term incentive schemes	71	49
Group contributions to money purchase pension schemes	-	-
	550	435

No directors (2020: £nil) receive shares under a long term incentive scheme.

Key management for the Group are the Executive Team which comprises the highest paid director together with the five other members of the senior leadership team. Their aggregate emoluments were as follows:

	2021 £000	2020 £000
Aggregate emoluments	1,585	1,354
Aggregate amounts (excluding shares) receivable under long term incentive schemes	104	72
Group contributions to money purchase pension schemes	92	47
	1,781	1,473

Briggs Equipment UK Limited

**Notes to the financial statements
for the year ended 31 December 2021 (continued)**

10 Net interest expense

	2021	2020
	£000	£000
Interest receivable and similar income		
Interest receivable and similar income	5	-
Total interest receivable and similar income	5	-
	2021	2020
	£000	£000
Interest payable and similar expenses		
Interest payable to group undertakings	186	200
Interest payable on other loans	4,694	6,103
Total interest expense on financial liabilities not measured at fair value through the statement of comprehensive income	4,880	6,303
Total interest payable and similar expenses	4,880	6,303
Net interest expense	4,875	6,303

Briggs Equipment UK Limited**Notes to the financial statements
for the year ended 31 December 2021 (continued)****11 Tax on profit****(a) Tax expense included in the group statement of comprehensive income**

	2021	2020
	£000	£000
<hr/>		
Current tax:		
UK Corporation tax on profits for the year	4,834	1,626
Adjustments in respect of prior periods	682	335
Total current tax	5,516	1,961
<hr/>		
Deferred tax:		
Origination and reversal of timing differences	599	(150)
Adjustments in respect of prior periods	(403)	601
Impact of rate change	823	196
Total deferred tax	1,019	647
Tax on profit	6,535	2,608
<hr/>		

Briggs Equipment UK Limited**Notes to the financial statements
for the year ended 31 December 2021 (continued)****11 Tax on profit (continued)****(b) Reconciliation of tax charge**

Tax assessed for the year is higher (2020: higher) than the standard rate of corporation tax in the UK for the year ended 31 December 2021 of 19% (2020: 19%). The differences are explained below:

	2021	2020
	£000	£000
Profit before taxation	19,752	4,287
Profit before tax multiplied by the standard rate of tax in the UK of 19% (2020: 19%)	3,753	815
Other timing differences	263	(376)
Expenses not deductible for tax purposes	1,088	924
Movement in adjustments to tax charge in respect of prior years	279	936
Effect of overseas tax rates	113	80
Unrecognised deferred tax	216	88
Impact of rate change	823	141
Total tax charge for the year	6,535	2,608

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. At the balance sheet date, this increase has been substantively enacted and its effects are included in these financial statements: the impact of which is disclosed as £823,000.

Briggs Equipment UK Limited

**Notes to the financial statements
for the year ended 31 December 2021 (continued)**

12 Intangible assets

Group	Note	Software £000	Goodwill £000	Total £000
Cost				
At 1 January 2021		8,384	43,908	52,292
Additions		44	351	395
Acquisitions	27	-	11,691	11,691
Cumulative translation		(2)	-	(2)
At 31 December 2021		8,426	55,950	64,376
Accumulated amortisation and impairment				
At 1 January 2021		(8,186)	(19,017)	(27,203)
Amortisation		(77)	(4,770)	(4,847)
Acquisitions	27	-	-	-
Cumulative translation		1	(7)	(6)
At 31 December 2021		(8,262)	(23,794)	(32,056)
Net book amount at 31 December 2021		164	32,156	32,320
Net book amount at 31 December 2020		198	24,891	25,089

Intangible assets

Company	Software £000	Goodwill £000	Total £000
Cost			
At 1 January 2021	8,354	17,419	25,773
Additions	44	-	44
At 31 December 2021	8,398	17,419	25,817
Accumulated amortisation and impairment			
At 1 January 2021	(8,161)	(14,178)	(22,339)
Amortisation	(73)	(1,426)	(1,499)
At 31 December 2021	(8,234)	(15,604)	(23,838)
Net book amount at 31 December 2021	164	1,815	1,979
Net book amount at 31 December 2020	193	3,241	3,434

Briggs Equipment UK Limited

**Notes to the financial statements
for the year ended 31 December 2021 (continued)**

13 Tangible assets

	Freehold land and buildings	Leasehold improvements	Rental equipment	Plant and machinery	Fixtures and fittings	Computer and hardware	Total
Group	£000	£000	£000	£000	£000	£000	£000
Cost							
At 1 January 2021	5,720	4,402	619,092	9,808	3,669	6,027	648,718
Additions	208	339	98,269	1,975	425	1,231	102,447
Reclassification	93	(93)	(45)	45	-	-	-
Transfers out	-	-	(79,146)	-	-	-	(79,146)
Disposals	(14)	(8)	(1,645)	(871)	(27)	(412)	(2,977)
Acquisitions	-	2,412	22,435	1,884	327	94	27,152
Cumulative translation	-	(24)	(1,390)	(62)	(14)	(2)	(1,492)
At 31 December 2021	6,007	7,028	657,570	12,779	4,380	6,938	694,702
Accumulated Depreciation							
At 1 January 2021	(307)	(3,858)	(286,785)	(6,043)	(2,807)	(4,472)	(304,272)
Charge for the year	(124)	(149)	(70,216)	(1,273)	(717)	(669)	(73,148)
Reclassification	(36)	36	39	(39)	-	-	-
Transfers out	-	-	48,799	-	-	-	48,799
Disposals	-	(4)	1,603	801	21	182	2,603
Acquisitions	-	(571)	(10,931)	(1,402)	(238)	(55)	(13,197)
Cumulative translation	-	16	193	37	360	2	608
At 31 December 2021	(467)	(4,530)	(317,298)	(7,919)	(3,381)	(5,012)	(338,607)
Net book amount at 31 December 2021	5,540	2,498	340,272	4,860	999	1,926	356,095
Net book amount at 31 December 2020	5,413	544	332,307	3,765	862	1,555	344,446

Briggs Equipment UK Limited

**Notes to the financial statements
for the year ended 31 December 2021 (continued)**

13 Tangible assets (continued)

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 an operating lease.

Fixed assets are included at full historical cost to the Group or net book value upon acquisition.

The net book value of freehold land and buildings comprises:

Group	2021 £000	2020 £000
Freehold buildings	4,820	4,693
Freehold land	720	720
Net book value	5,540	5,413

The net book value of leasehold improvements comprises:

Group	2021 £000	2020 £000
Long leasehold	2,385	499
Short leasehold	113	45
Net book value	2,498	544

Briggs Equipment UK Limited

**Notes to the financial statements
for the year ended 31 December 2021 (continued)**

13 Tangible assets (continued)

	Freehold land and buildings	Leasehold improvements	Rental equipment	Plant and machinery	Fixtures and fittings	Computer and hardware	Total
Company	£000	£000	£000	£000	£000	£000	£000
Cost							
At 1 January 2021	4,320	3,494	531,899	2,931	2,968	5,450	551,062
Additions	-	164	60,000	170	251	1,183	61,768
Reclassification	93	(93)	(45)	45	-	-	-
Transfers out	-	-	(70,819)	-	-	-	(70,819)
Disposals	(14)	-	(1,314)	(30)	(25)	(387)	(1,770)
At 31 December 2021	4,399	3,565	519,721	3,116	3,194	6,246	540,241
Accumulated Depreciation							
At 1 January 2021	(307)	(3,241)	(255,555)	(2,256)	(2,265)	(3,990)	(267,614)
Charge for the year	(91)	(38)	(58,702)	(235)	(262)	(613)	(59,941)
Reclassification	(36)	36	39	(39)	-	-	-
Transfers out	-	-	44,716	-	-	-	44,716
Disposals	-	-	1,456	21	20	158	1,655
At 31 December 2021	(434)	(3,243)	(268,046)	(2,509)	(2,507)	(4,445)	(281,184)
Net book amount at 31 December 2021	3,965	322	251,675	607	687	1,801	259,057
Net book amount at 31 December 2020	4,013	253	276,344	675	703	1,460	283,448

Briggs Equipment UK Limited

**Notes to the financial statements
for the year ended 31 December 2021 (continued)**

13 Tangible assets (continued)

The net book value of freehold land and buildings comprises:

Company	2021 £000	2020 £000
Freehold buildings	3,245	3,293
Freehold land	720	720
Net book value	3,965	4,013

The net book value of leasehold improvements comprises:

Company	2021 £000	2020 £000
Long leasehold	309	227
Short leasehold	13	26
Net book value	322	253

Briggs Equipment UK Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

14 Investments

Group	2021 £000	2020 £000
At 1 January	-	-
Additions	9,250	-
Share of joint venture profit	269	-
At 31 December	9,519	-
Comprising:		
AmeyBriggs Asset Holdings Limited (50%)	7,351	-
AmeyBriggs Services Holdings Limited (50%)	2,168	-
	9,519	-

The Group acquired in the year 50% of the ordinary share capital of AmeyBriggs Asset Holdings Limited (2020: nil%) with an investment value of £7,250,000 (2020: £nil). During the year the Company share of joint venture profits was £101,000 (2020: £nil). AmeyBriggs Asset Holdings Limited is incorporated in the United Kingdom. The address of the registered office of AmeyBriggs Asset Holdings Limited is Chancery Exchange, 10 Furnival Street, London, United Kingdom, EC4A 1AB. AmeyBriggs Asset Holdings Limited owns 100% of AmeyBriggs Assets Limited, incorporated in the United Kingdom.

The Group acquired in the year 50% of the ordinary share capital of AmeyBriggs Services Holdings Limited (2020: nil%) with an investment value of £2,000,000 (2020: £nil). During the year the Company share of joint venture profits was £168,000 (2020: £nil). AmeyBriggs Services Holdings Limited is incorporated in the United Kingdom. The address of the registered office of AmeyBriggs Services Holdings Limited is Chancery Exchange, 10 Furnival Street, London, United Kingdom, EC4A 1AB. AmeyBriggs Services Holdings Limited owns 100% of AmeyBriggs Services Limited, incorporated in the United Kingdom.

Briggs Equipment UK Limited**Notes to the financial statements
for the year ended 31 December 2021 (continued)****14 Investments (continued)**

Company	2021 £000	2020 £000
At 1 January	50,528	41,785
Additions	25,060	8,743
Share of joint venture profit	269	-
At 31 December	75,857	50,528
Comprising:		
AmeyBriggs Asset Holdings Limited (50%)	7,351	-
AmeyBriggs Services Holdings Limited (50%)	2,168	-
Forkway Group Limited (100%)	5,053	-
JB Plant Hire Limited (100%)	7,158	-
JB Plant Hire (Dungannon) Limited (100%)	3,525	-
GFL Holdings Limited (100%)	8,817	8,743
Northern Forklift (Scotland) Limited (100%)	9,411	9,411
Baloo Hire Centre Limited (100%)	18,034	18,034
Hiremech Holdings Limited (100%)	7,314	7,314
Hitec Lift Trucks Limited (100%)	3,397	3,397
Briggs Equipment Ireland Limited (100%)	3,629	3,629
	75,857	50,528

Briggs Equipment UK Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

14 Investments (continued)

The registered addresses of the companies the Briggs Equipment UK Group holds investments in is as follows:

Company	Registered Address
AmeyBriggs Asset Holdings Limited	Chancery Exchange, 10 Furnival Street, London, United Kingdom, EC4A 1AB
AmeyBriggs Service Holdings Limited	Chancery Exchange, 10 Furnival Street, London, United Kingdom, EC4A 1AB
Forkway (Hire) Limited	Orbital 7, Orbital Way, Cannock, Staffordshire, England, WS11 8XW
Nisshin Denshi Limited	Orbital 7, Orbital Way, Cannock, Staffordshire, England, WS11 8XW
Forkway Group Limited	Orbital 7, Orbital Way, Cannock, Staffordshire, England, WS11 8XW
Forkway Limited	Orbital 7, Orbital Way, Cannock, Staffordshire, England, WS11 8XW
Solent Forklift Trucks Limited	Orbital 7, Orbital Way, Cannock, Staffordshire, England, WS11 8XW
J.B. Plant Hire Limited	31 Sydenham Road, Belfast, BT3 9DH
J.B. Plant Hire (Dungannon) Limited	31 Sydenham Road, Belfast, BT3 9DH
Gwynedd Forklifts Limited	Orbital 7, Orbital Way, Cannock, Staffordshire, England, WS11 8XW
GFL Holdings Limited	Orbital 7, Orbital Way, Cannock, Staffordshire, England, WS11 8XW
GFL Access Limited	Orbital 7, Orbital Way, Cannock, Staffordshire, England, WS11 8XW
Northern Forklift (Scotland) Limited	Orbital 7, Orbital Way, Cannock, Staffordshire, England, WS11 8XW
Baloo Hire Centre Limited	31 Sydenham Road, Belfast, BT3 9DH
Hiremech Holdings Limited	Orbital 7, Orbital Way, Cannock, Staffordshire, England, WS11 8XW
Hiremech Limited	Orbital 7, Orbital Way, Cannock, Staffordshire, England, WS11 8XW
Hitec Lift Trucks Limited	Orbital 7, Orbital Way, Cannock, Staffordshire, England, WS11 8XW
BE Finance	Orbital 7, Orbital Way, Cannock, Staffordshire, England, WS11 8XW
Briggs Equipment Ireland Limited	Ireland is Unit 1, Crosslands Business Park, Ballymount Road Lower, Dublin 12, Ireland, D12 C791
Baloo Hire Limited	Unit 1, Crosslands Business Park, Ballymount Road Lower, Dublin 12, Ireland, D12 C791
Laois Hire Services Limited	Unit 1, Crosslands Business Park, Ballymount Road Lower, Dublin 12, Ireland, D12 C791
Bannagroe Limited	Unit 1, Crosslands Business Park, Ballymount Road Lower, Dublin 12, Ireland, D12 C791

Briggs Equipment UK Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

14 Investments (continued)

All subsidiaries trade in the same sector as the parent company except for Balloo Hire Centre Limited, J.B. Plant Hire Limited and J.B. Plant Hire (Dungannon) Limited which trade within the hire of plant and tools sector to both the commercial and domestic market.

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 2021. 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 2021 the following subsidiaries were provided with a statutory guarantee:

Company	Registered Number
Forkway (Hire) Limited	00881394
Nisshin Denshi Limited	02123712
Forkway Group Limited	03117958
Forkway Limited	00788654
Solent Forklift Trucks Limited	02320695
JB Plant Hire Limited	NI025520
JB Plant Hire (Dungannon)	NI025521
Gwynedd Forklifts Limited	03614948
GFL Holdings Limited	09881784
GFL Access Limited	09758061
Northern Forklift (Scotland) Limited	03911775
Balloo Hire Centre Limited	NI020540
Hiremech Holdings Limited	04483665
Hiremech Limited	03639237
Hitec Lift Trucks Limited	04293356

Briggs Equipment UK Limited

**Notes to the financial statements
for the year ended 31 December 2021 (continued)**

15 Inventories

	Group		Company	
	2021 £000	2020 £000	2021 £000	2020 £000
Service work in progress	1,982	2,003	1,749	1,968
Finished goods and goods for resale	17,174	22,199	12,838	18,364
	19,156	24,202	14,587	20,332

Inventories are stated after provisions for Group and Company impairment of Group £3,290,000 (2020: £3,485,000) and Company £2,195,000 (2020: £2,840,000) respectively.

Briggs Equipment UK Limited

**Notes to the financial statements
for the year ended 31 December 2021 (continued)**

16 Debtors: amounts falling due within one year

	Note	Group		Company	
		2021 £000	2020 £000	2021 £000	2020 £000
Trade debtors		62,829	57,852	43,038	44,724
Amounts owed by Group undertakings		-	-	31,089	14,617
Deferred tax asset		64	3	64	3
Other debtors		7,547	7,068	6,654	6,887
Prepayments and accrued income		3,047	2,733	2,438	2,434
		73,487	67,656	83,283	68,665

Trade debtors are stated after provisions for impairment of Group £1,659,000 (2020: £1,562,000), Company £505,000 (2020: £772,000).

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	
		2021 £000	2020 £000	2021 £000	2020 £000
Deferred tax asset	20	666	285	606	269
Other debtors		187	419	187	419
		853	704	793	688

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

Total debtors		74,340	68,360	84,076	69,353
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Briggs Equipment UK Limited

**Notes to the financial statements
for the year ended 31 December 2021 (continued)**

17 Creditors: amounts falling due within one year

	Note	Group		Company	
		2021 £000	2020 £000	2021 £000	2020 £000
Trade creditors		37,148	33,735	23,701	24,870
Amounts owed to Group undertakings		-	46	-	46
Taxation and social security		9,093	13,122	6,556	11,752
Other borrowings	18	8,190	9,222	283	502
Accruals and deferred income		33,660	29,233	28,771	27,188
		88,091	85,358	59,311	64,358

Non financing amounts payable to Group 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

	Note	Group		Company	
		2021 £000	2020 £000	2021 £000	2020 £000
Amounts falling due between one and five years					
Amounts owed to Group undertakings		-	14,044	-	14,044
Other borrowings	18	13,951	12,217	461	776
Asset backed borrowings	18	189,784	193,711	173,437	187,759
Accruals and deferred income		187	420	187	419
		203,922	220,392	174,085	202,998

Amounts falling due after more than five years

Other borrowings	18	822	-	-	-
		204,744	220,392	174,085	202,998

Briggs Equipment UK Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

17 Creditors: amounts falling due after more than one year (continued)

Accruals and deferred income relate to the Group's repurchase 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 most circumstances, an appropriate obligation has been recognised.

18 Loans and other borrowings

	Group		Company	
	2021 £000	2020 £000	2021 £000	2020 £000
Asset backed borrowings	189,784	193,711	173,437	187,759
Other borrowings	22,963	21,439	744	1,278
	212,747	215,150	174,181	189,037

Asset backed borrowings of £189,784,000 (2020: £193,711,000) represent amounts drawn under the Group's secured credit facility, net of unamortised issue costs of £1,728,000 (2020: £2,312,000). 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 1.93% plus SONIA. The borrowings are secured by an all asset debenture.

Other borrowings of £22,963,000 (2020: £21,439,000) represent 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 (2021: £744,000 (2020: £1,278,000)), along with hire purchase agreements in place at Briggs Equipment Ireland Limited, Hiremech Limited, Balloo Hire Centre Limited, Northern Forklift (Scotland) Limited, Gwynedd Forklifts Limited and Forkway Limited (2021: £22,219,000 (2020: £20,161,000)).

Briggs Equipment UK Limited**Notes to the financial statements
for the year ended 31 December 2021 (continued)****19 Provisions for liabilities**

Group	Restructuring	Dilapidations	Deferred Tax	Total
	£000	£000	£000	£000
At 1 January 2021	112	940	2,541	3,593
Charge for the year	-	2,772	1,461	4,233
Acquisitions	-	228	766	994
Amounts utilised	(112)	-	-	(112)
At 31 December 2021	-	3,940	4,768	8,708

Dilapidation provisions relate 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 statement of comprehensive income as the obligation arises.

Dilapidation provisions relate to multiple properties and have been calculated either through independent review of existing defects, reinstatement work which might legitimately be required under a schedule of dilapidations on the termination of a lease or using estimated values on the square foot profile of properties where an independent review has not taken place.

At the end of 2020 the Group ran a voluntary early retirement scheme in conjunction with a small number of redundancies following some restructuring activities. The provision for these activities has been fully utilised as at 31 December 2021.

The net deferred tax liability is due to the impact of timing differences arising from the application of capital allowances on tangible fixed assets.

Company	Restructuring	Dilapidations	Total
	£000	£000	£000
At 1 January 2021	112	940	1,052
Charge for the year	-	2,727	2,727
Amounts utilised	(112)	-	(112)
At 31 December 2021	-	3,667	3,667

Briggs Equipment UK Limited

**Notes to the financial statements
for the year ended 31 December 2021 (continued)**

20 Deferred tax

Deferred tax consists of the following deferred tax assets:

	2021 £000	2020 £000
Decelerated capital allowances	705	269
Other timing differences	25	19
Total deferred tax - asset	730	288

	2021 £000
As at 1 January 2021	288
Recognised in the statement of comprehensive income	442
As at 31 December 2021	730

Deferred tax consists of the following deferred tax liabilities:

	2021 £000	2020 £000
Accelerated capital allowances	4,768	2,541
Total deferred tax - liability	4,768	2,541

Briggs Equipment UK Limited

**Notes to the financial statements
for the year ended 31 December 2021 (continued)**

20 Deferred tax (continued)

	2021 £000
As at 1 January 2021	2,541
Acquisitions	766
Recognised in the statement of comprehensive income	1,461
As at 31 December 2021	4,768

There are no unused tax losses or unused tax credits.

The deferred tax liability primarily relates to the reversal of timing differences on acquired intangible and tangible assets and capital allowances through depreciation and amortisation, offset by expected tax deductions when payments are made to utilise provisions.

The net deferred tax liability expected to reverse in 2022 is £64,000. This primarily relates to the reversal of timing differences on acquired intangible and tangible assets and capital allowances through depreciation and amortisation, offset by expected tax deductions when payments are made to utilise provisions.

Briggs Equipment UK Limited

**Notes to the financial statements
for the year ended 31 December 2021 (continued)**

21 Called up share capital

Group and Company	No.	£000
<hr/>		
Authorised equity shares of £1 each		
At 1 January 2021	115,400,000	115,400
Shares issued in 2021	27,450,482	27,450
<hr/>		
31 December 2021	142,850,482	142,850
<hr/>		
Allotted and fully paid ordinary shares of £1 each		
At 1 January 2021	115,400,000	115,400
Shares issued in 2021	27,450,482	27,450
<hr/>		
At 31 December 2021	142,850,482	142,850
<hr/>		

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

A total of 7,250,000 new shares were allotted at par on 22 February 2021 for a cash consideration of £7,250,000; the proceeds being used to fund the investment in AmeyBriggs Asset Holdings Limited.

A total of 9,700,482 new shares were allotted at par on 26 March 2021 for a cash consideration of £9,700,482; the proceeds being loaned to the Briggs Equipment Ireland Limited subsidiary to fund its acquisition of Bannagroe Limited and Laois Hire Services Limited.

A total of 10,500,000 new shares were allotted at par on 15 June 2021 for a cash consideration of £10,500,000; the proceeds being used to fund the acquisition of JB Plant Hire Limited and JB Plant Hire (Dungannon) Limited.

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 2021 (continued)****22 Notes to the statement of cash flows**

Cash flow from operating activities is as follows:

	2021	2020
	£000	£000
Profit for the financial year	13,217	1,679
Adjustments for:		
Tax on profit	6,535	2,608
Net interest expense	4,875	6,303
Share of profit of associates	(269)	-
Operating profit	24,358	10,590
Other comprehensive income	(566)	458
Amortisation of intangible fixed assets	4,847	3,993
Depreciation of tangible fixed assets	73,148	75,794
Loss/(profit) on disposal of tangible fixed assets	38	(19)
Profit on disposal of rental equipment	(1,595)	(3,004)
Working capital movements:		
- Decrease in inventories	7,332	1,659
- Increase in debtors	(1,249)	(1,032)
- (Decrease)/increase in payables	(3,586)	10,485
Cash flow from operating activities	102,727	98,924

Briggs Equipment UK Limited**Notes to the financial statements
for the year ended 31 December 2021 (continued)****22 Notes to the statement of cash flows (continued)**

Analysis of changes in net debt is as follows:

	At 1 Jan 2021	Cash flows	Non-cash flows	At 31 Dec 2021
	£000	£000	£000	£000
Cash and equivalents	5,960	2,968	-	8,928
Inter-company loans	(14,044)	14,044	-	-
Asset backed borrowings	(193,711)	4,709	(782)	(189,784)
Other borrowings	(21,439)	(1,033)	(491)	(22,963)
Total	(223,234)	20,688	(1,273)	(203,819)

23 Financial instruments

The Group has the following financial instruments:

	2021 £000	2020 £000
Financial assets:		
Trade debtors	62,829	57,852
Other debtors	7,733	7,487
	70,562	65,339
Financial liabilities:		
Asset backed borrowings	189,784	193,711
Other borrowings	22,963	21,439
Trade creditors	37,148	33,735
Amounts owed to Group undertakings	-	14,090
	249,895	262,975

Briggs Equipment UK Limited

**Notes to the financial statements
for the year ended 31 December 2021 (continued)**

23 Financial instruments (continued)

The Company has the following financial instruments:

	2021	2020
	£000	£000
<hr/>		
Financial assets:		
Trade debtors	43,038	44,724
Other debtors	6,841	7,306
Amounts owed by Group undertakings	31,089	14,617
	<hr/> 80,968	<hr/> 66,647
Financial liabilities:		
Asset backed borrowings	173,437	187,759
Other borrowings	744	1,278
Trade creditors	23,701	24,870
Amounts owed to Group undertakings	-	14,090
	<hr/> 197,882	<hr/> 227,997
	<hr/>	

24 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 2021, the outstanding contract matures within 6 months of the year end. The Group is committed to buy €3,000,000 (2020: €6,000,000) and pay a fixed sterling amount of £2,586,200 (2020: £5,633,800).

The Group entered into an interest rate hedge to mitigate the risk of changes to interest rates. The contract commenced on 30 April 2021 and expires on 31 March 2023. At 31 December 2021, the notional amount hedged was £39,000,000 with a market value of £177,834.

Briggs Equipment UK Limited

**Notes to the financial statements
for the year ended 31 December 2021 (continued)**

25 Capital and other commitments

At 31 December the Group had the following capital commitments:

	2021 £000	2020 £000
Contracts for future capital expenditure not provided in the financial statements – property, plant and equipment	100,394	31,261

At 31 December the Company had the following capital commitments:

	2021 £000	2020 £000
Contracts for future capital expenditure not provided in the financial statements – property, plant and equipment	88,798	27,400

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

	2021 £000	2020 £000
Payments due:		
Not later than one year	5,094	4,706
Later than one year and not later than five years	11,014	10,922
Later than five years	12,669	13,905
	28,777	29,533

Briggs Equipment UK Limited

**Notes to the financial statements
for the year ended 31 December 2021 (continued)**

25 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:

	2021	2020
	£000	£000
Payments due:		
Not later than one year	3,929	4,060
Later than one year and not later than five years	8,324	9,220
Later than five years	12,051	13,310
	24,304	26,590

Briggs Equipment UK Limited**Notes to the financial statements
for the year ended 31 December 2021 (continued)****26 Leasing agreements**

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

	2021	2020
	£000	£000
<hr/>		
Amounts receivable due:		
Not later than one year	94,176	103,498
Later than one year and not later than five years	177,176	182,917
Later than five years	14,667	18,531
	<hr/> 286,019	<hr/> 304,946

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

	2021	2020
	£000	£000
<hr/>		
Amounts receivable due:		
Not later than one year	89,019	98,684
Later than one year and not later than five years	166,392	172,814
Later than five years	14,059	18,300
	<hr/> 269,470	<hr/> 289,798

Briggs Equipment UK Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

27 Acquisitions

On the 6 April 2021, Briggs Equipment Ireland Limited (a subsidiary of Company) acquired 100% of the share capital of Bannagroe Limited, a company located in the Republic of Ireland.

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	5,783	(930)	4,853
Current Assets:			
Stocks	208	(34)	174
Debtors	2,302	(189)	2,113
Cash	510	(1)	509
Total Assets	8,803	(1,154)	7,649
Creditors: amounts falling due within one year	(2,603)	(101)	(2,704)
Creditors: amounts falling due after one year	(233)	-	(233)
Net assets acquired	5,967	(1,255)	4,712
Goodwill			6,258
Cash Consideration			10,970

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

The cash consideration includes directly attributable expenses of £300,000.

For the nine months ended 31 December 2021, Laois Hire Services Limited (a wholly owned subsidiary of Bannagroe Limited) contributed revenue of £10,807,000 and a loss before tax of £345,000 to the Group's results.

Briggs Equipment UK Limited**Notes to the financial statements
for the year ended 31 December 2021 (continued)****27 Acquisitions (continued)**

On the 6 April 2021, Briggs Equipment Ireland Limited (a subsidiary of Company) acquired 100% of the share capital of Balloo Hire Limited, a company located in the Republic of Ireland.

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	179	-	179
Current Assets:			
Stocks	-	-	-
Debtors	459	-	459
Cash	-	-	-
Total Assets	638	-	638
Creditors: amounts falling due within one year	(615)	-	(615)
Creditors: amounts falling due after one year	(289)	-	(289)
Net liabilities acquired	(266)	-	(266)
Goodwill			822
Total Consideration			556
Of which cash			56
Of which deferred consideration			500

The cash consideration is made up of directly attributable expenses of £56,000.

For the nine months ended 31 December 2021, Balloo Hire Limited contributed revenue of £1,250,000 and a profit before tax of £35,000 to the Group's results.

Briggs Equipment UK Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

27 Acquisitions (continued)

On the 21 June 2021, the Company acquired 100% of the share capital of J.B. Plant Hire Limited, a company located in Northern Ireland.

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	3,252	727	3,979
Current Assets:			
Stocks	-	-	-
Debtors	402	-	402
Cash	1,609	-	1,609
Total Assets	5,263	727	5,990
Creditors: amounts falling due within one year	(289)	-	(289)
Creditors: amounts falling due after one year	(310)	-	(310)
Net assets acquired	4,664	727	5,391
Goodwill			1,767
Total Consideration			7,158
Of which cash			6,153
Of which deferred consideration			1,005

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

The cash consideration includes directly attributable expenses of £132,000.

For the six months ended 31 December 2021, J.B. Plant Hire Limited contributed revenue of £1,457,000 and a profit before tax of £555,000 to the Group's results.

Deferred consideration of £1,005,000 is payable in two equal instalments in June 2022 and June 2023.

Briggs Equipment UK Limited**Notes to the financial statements
for the year ended 31 December 2021 (continued)****27 Acquisitions (continued)**

On the 21 June 2021, the Company acquired 100% of the share capital of J.B. Plant Hire (Dungannon) Limited, a company located in Northern Ireland.

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	1,234	1,062	2,296
Current Assets:			
Stocks	-	-	-
Debtors	266	-	266
Cash	804	-	804
Total Assets	2,304	1,062	3,366
Creditors: amounts falling due within one year	(163)	-	(163)
Creditors: amounts falling due after one year	(67)	-	(67)
Net assets acquired	2,074	1,062	3,136
Goodwill			389
Total Consideration			3,525
Of which cash			3,030
Of which deferred consideration			495

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

The cash consideration includes directly attributable expenses of £77,000.

For the six months ended 31 December 2021, J.B. Plant Hire (Dungannon) Limited contributed revenue of £872,000 and a profit before tax of £232,000 to the Group's results.

Deferred consideration of £495,000 is payable in two equal instalments in June 2022 and June 2023.

Briggs Equipment UK Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

27 Acquisitions (continued)

On the 30 November 2021, the Company acquired 100% of the share capital of Forkway Group Limited, a group located in the north of England and trading as Forkway 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	3,769	(1,122)	2,647
Current Assets:			
Stocks	1,091	(24)	1,067
Debtors	1,489	-	1,489
Cash	624	-	624
Total Assets	6,973	(1,146)	5,827
Creditors: amounts falling due within one year	(2,984)	(88)	(3,072)
Creditors: amounts falling due after one year	(157)	-	(157)
Net Assets acquired	3,832	(1,234)	2,598
Goodwill			2,455
Total Consideration			5,053
Of which cash			4,553
Of which deferred consideration			500

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

The cash consideration includes directly attributable expenses of £80,000.

For the one month ended 31 December 2021, Forkway Group Limited contributed revenue of £1,220,000 and a profit before tax of £80,000 to the Group's results.

£500,000 of the cash consideration is deferred. Deferred consideration is payable in June 2022 once completion accounts are agreed.

Briggs Equipment UK Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

28 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.

In 2021 the Group performed the following transactions with its two AmeyBriggs joint venture associates, in both of which the Group holds a 50% shareholding:

	2021 £000	2020 £000
Sale of assets to AmeyBriggs Asset Holdings Limited	22,169	-
Other charges to AmeyBriggs Asset Holdings Limited	1,907	-
Other charges to AmeyBriggs Service Holdings Limited	176	-
	24,252	-

29 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, smallest and largest group to consolidate these financial statements is Sammons Enterprises Inc., a Company incorporated in the United States of America and whose accounts are not publicly available.

30 Post balance sheet events

On 4 February 2022, the Group completed the acquisition of 100% of the share capital of Aerial Platform Hire Limited, operating in the Republic of Ireland.

On 16 May 2022, the Group completed the acquisition of 100% of the share capital of Access Plus Limited, Trainingplus.com Limited and Rosemount Holdings Limited, all operating in the United Kingdom.