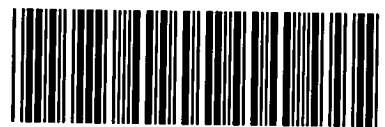

SELECT PLANT HIRE COMPANY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

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SELECT PLANT HIRE COMPANY LIMITED

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SELECT PLANT HIRE COMPANY LIMITED

COMPANY INFORMATION

Directors	H D O'Rourke R C Baker A Warrington P J Lyons
Company secretary	R E Turner
Registered number	01973463
Registered office	Bridge Place Anchor Boulevard Admirals Park, Crossways Dartford Kent DA2 6SN
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 1 Embankment Place London WC2N 6RH

SELECT PLANT HIRE COMPANY LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023

The Directors present their Strategic Report of Select Plant Hire Company Limited (the 'Company') for the year ended 31 March 2023.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The Company is a wholly owned subsidiary of Laing O'Rourke Holdings Limited and a member of the Laing O'Rourke Corporation Limited Group (the "Group") that is domiciled in England and Wales. A summary of the results is shown in the Directors' Report on page 8. The Directors are satisfied with the financial result for the year and are satisfied with Company's continued profit and expect the business to continue to trade profitably in the future.

The directors of Laing O'Rourke Corporation Limited manage financial risks for the Group as a whole, rather than as individual entities. For this reason, the Company's Directors believe that analysis of the Company's risks should be viewed in context of the Group. The principal risks and uncertainties of Laing O'Rourke Corporation Limited, which includes the Company, are set out in the Group's Annual Report and Accounts (which are available publicly at www.laingorourke.com); however these do not form part of this report.

The directors of Laing O'Rourke Corporation Limited manage the Group's operations on a divisional basis. For this reason, the Company's Directors believe that analysis using key performance indicators should be viewed in the context of the Group. The development, performance and position of the Europe Hub of Laing O'Rourke Corporation Limited, which includes the Company, are discussed in the Group's Annual Report and Accounts which are available publicly; however these do not form part of this report.

SECTION (172) STATEMENT

This section serves as our Section 172 statement in compliance with the Companies Act 2006. Section 172 of the Companies Act requires the Directors to have regard to the interests of our wider stakeholders when making key decisions across a range of areas. This statement, together with the relevant sections of the Annual Report and financial statements, explains how our Board meets this requirement and also how stakeholder engagement influences decision making across the Group.

Corporate Governance Principles

During the year ended 31 March 2023, our relevant UK companies in the Laing O'Rourke Corporation Limited Group ('the Group') have considered the Companies (Miscellaneous Reporting) Regulations 2018 and elected to apply the Wates Principles for Large Companies, as published in December 2018 (the 'Wates Principles'). We reported against the Wates Principles for the first time in the financial year ended 31 March 2020 and the continuance of this reporting assists in assessing what has been done well and also where there remains opportunity for further improvement of our corporate governance framework. It is also recognised that governance requirements and needs will evolve over time. Our ambition continues to be the achievement of best-in-class corporate governance across the Group.

The Company sits within the Corporate Governance framework of the overall Laing O'Rourke Corporation Limited Group. Decisions that impact Select Plant Hire Company Limited are made at both the Europe Hub Executive Committee and Group Executive Committee levels. The Directors of the Company are members of the Europe Hub Executive Committee and/or the Group Executive Committee. All references to the Board, the Company and the Group within this Corporate Governance Section relate to the Laing O'Rourke Corporation Limited Group.

SELECT PLANT HIRE COMPANY LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Group Corporate Governance Framework

At Laing O'Rourke, pride is taken in what has already been achieved. We take the view that good corporate governance is a cornerstone of the creation of a successful business and one that generates value for wider society. Our Group Governance Framework continues to be applied across our global business and was reviewed during FY23 in line with our annual review cycle.

The Board collectively - and its directors individually - are clear that relationships with stakeholders are an fundamental to the business. They also realise that effective and meaningful engagement with stakeholders requires regular dialogue.

An understanding of stakeholder groups and their interests enables the business to take account of their needs and concerns, allowing for the creation of value for all.

SELECT PLANT HIRE COMPANY LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

Group Corporate Governance Framework

STAKEHOLDER GROUP	HOW WE ENGAGE	HOW THIS STAKEHOLDER GROUP INFLUENCED BOARD / COMMITTEE DISCUSSIONS AND DECISIONS
OUR CLIENTS	<p>We invest in early engagement with clients prior to any formal decision-making processes aiming to gain insights into their needs, challenges, expectations, and priorities, as well as demonstrating our experience and capability to strengthen our position as a trusted adviser. We also seek early engagement with key influencers to clients including consultants and industry bodies to ensure they fully understand our capabilities and offering, particularly in respect of our operating model.</p> <p>Working with clients in this manner, and implementing a detailed strategy to win planning process, has allowed us to demonstrate business value around innovation and excellence and showcase the benefits of our in-house capabilities, to deliver certainty and strengthen relationships with clients.</p> <p>The way in which we engage with clients is strategically planned through this process, with a range of diversity in engagement activities such as capability workshops, site tours, presentations, and events depending on the existing relationship with the client and the purpose of engagement.</p> <p>Interviews by independent researchers continued to take place with clients, offering a live source of feedback for how we are performing in the market and on projects.</p>	<p>Underpinning the approach to engagement is the Board's commitment to continuous improvement through consistent project level feedback and data insights across the project portfolio.</p> <p>The Laing O'Rourke 2025 Transformation Agenda incorporates five conditions (resilience, certainty, people, next-generation methods and technology, and responsible decision-making) to achieve our strategic objectives and to become the recognised leader for innovation and excellence in the construction industry. The priority conditions for FY23, endorsed by our Board and Group Executive Committee, included resilience and certainty, focusing on client engagement, productivity, and digital data.</p> <p>Our updated client engagement strategy and client relationship management processes and platforms are now embedded and being used to improve the level of digital data and insights. Our Chief Executive Officer ensures that regular principal level meetings are held by our Board and executive committee members with key clients to nurture and deepen our client relationships and to work in partnership, so that we can ensure better alignment between clients and our teams, but also support innovation.</p> <p>Our client relationship management system is a centralised digital system, providing alignment across the business. It delivers consistent and transparent reporting to the Board and our Executive Committees on key performance indicators for engagement with clients, our performance on projects and application of lessons learnt to upcoming opportunities. Our updated client engagement strategy has also enabled the Board and our Executive Committees to consider and guide our engagement with clients and influencers throughout the lifecycle of a project, from identifying opportunities to tendering and through to delivery. In addition, our digital function is leading development of a platform to host our sector plans which will create a repository in areas enabling clients to understand our capability in areas such as our ability to deliver faster, sustainably, and with value-oriented solutions.</p>

SELECT PLANT HIRE COMPANY LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

STAKEHOLDER GROUP	HOW WE ENGAGE	HOW THIS STAKEHOLDER GROUP INFLUENCED BOARD / COMMITTEE DISCUSSIONS AND DECISIONS
OUR PEOPLE	<p>Connecting effectively with our people during the year to understand their experience and to communicate our strategy is as important as ever.</p> <p>We prioritised communication, engagement, and support for our workforce through many different channels including:</p> <ul style="list-style-type: none"> - Daily, weekly, or monthly employee communications and meetings from leaders; - Making toolkits available to managers to ensure that they could cascade consistent information to their teams in a personal way; and - Increased interactive communication with our people through 'LOR Live' (live broadcasts by our leadership teams) to all of our people, facilitating real time question and answer sessions with thoughts and opinions encouraged from both the live and online audience. <p>Communication was proactive and interactive via LOR Live, our internal social media channel on Viva Engage (formerly Yammer), our intranet, townhall sessions across the business and project visits (where possible) with leadership briefings. The primary focus was ensuring that all colleagues understood our purpose and values, the importance we place on safety, and the direction that the business is going and how this impacts them and their careers.</p> <p>There has also been a renewed focus on learning and development through our LOR Learn platform and the appointment of learning and development representatives across all functions to help create learning pathways and competency assessment frameworks.</p> <p>We undertook our annual staff engagement survey in November 2022, and saw an improvement on an already strong score on overall engagement, which is a measure of how positive our people feel about their work. There were also strong scores recorded across both hubs in other areas, notably regarding confidence in leadership, pride in working for Laing O'Rourke, and trust in leadership to take action to address concerns.</p>	<p>Managing the safety of our people remains a key priority for the Board and our Executive Committees and remains foremost in all operational decisions regarding access to our project sites and offices.</p> <p>The Board and our Executive Committees identified the need to improve better communication and collaboration across the business and improve the sense of connectivity between people, projects, and functions. The executive leadership teams in each hub made their expectations clear around the need to be present onsite and in offices, rather than working remotely, in order to support performance and connection. Ongoing measurement and communication continue to ensure that we have a highly collaborative and connected culture, along with our people's access to dynamic working. Other initiatives considered and endorsed by the Board and our Executive Committees during the financial year included:</p> <ul style="list-style-type: none"> - Roll out of equal progressive parental leave policy across both hubs; - Release in the Europe Hub in March 2023 of the latest wellbeing bundle focusing on ways to help people with their finances; - The ongoing implementation of a 'Life at LOR' hub in the Europe Hub which is dedicated to a one stop shop for health and wellbeing needs; - Continued development of diversity subcommittees empowering our people to contribute to our diversity and inclusion agenda; and - The launch of 'Knowing Our People' reviews as part of our talent and development agenda as well as our internal Accelerate mentoring programme in the Europe Hub and external partnership with Mentoring Circle.

SELECT PLANT HIRE COMPANY LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

STAKEHOLDER GROUP	HOW WE ENGAGE	HOW THIS STAKEHOLDER GROUP INFLUENCED BOARD / COMMITTEE DISCUSSIONS AND DECISIONS
OUR SUPPLIERS	<p>We strive for better engagement with our supply chain to improve outcomes and to address key challenges around climate change and sustainability and significant compliance and regulatory requirements. During the year under review, this work included launching a supply chain carbon awareness programme and working with our supply chain to help us assess biodiversity risk in our value chain.</p> <p>One of the most significant regulatory changes the Europe Hub has been dealing with in FY23 is the introduction of the Building Safety Act in the UK and its anticipated enabling regulations which requires close collaboration with our supply chain across product regulation, duty holder obligations, competency, and information.</p> <p>We continue to focus on transformation through data which enables us to gain supply chain insights and market knowledge by building deeper relationships and to identify best practice so that we can drive for excellence, consistency, and certainty in outcomes.</p> <p>Given the challenging macro-economic climate in the UK, we are in constant dialogue with our key suppliers to collaborate on multiple mitigation headings including successful hedging of fuel, electricity, and gas prices across our portfolio of projects.</p>	<p>The Board recognises that its supply chain partners are integral to our ability to deliver world-class projects for our clients. It is also recognised that our partners are critical in helping the Group to achieve its 2025 mission to become the recognised leader for innovation and excellence and to achieve our stretching sustainability targets. Members of the Board and our Executive Committees participate in supply chain forums.</p> <p>Updates on significant activities and developments within our supply chain are provided to the Board and our Executive Committees and are taken into account when setting or approving annual budgets, performance targets, and making long term strategic decisions.</p> <p>During the year the Group Executive Committee realigned some functional portfolios for greater efficiency and focus. For example, the Europe Hub procurement function moved across to be overseen by Madeleine Loughrey-Grant, Group Director - Legal, Procurement (EU), and Sustainability.</p> <p>Supplier payment practices are regularly reviewed and we remain a committed signatory to the UK's Prompt Payment Code.</p>
OUR FINANCIERS	<p>The Group operates strict controls over working capital and cash management, engaging proactively on these controls with its financiers. A regular and transparent reporting dialogue is maintained with lenders, including regular update calls and touch points, visits to our project and manufacturing sites, strategy briefings, general business updates, and reporting against agreed financial performance metrics.</p>	<p>All our financiers have, if needed, direct access to the Group Chief Financial Officer, who is a member of the Board and also of the Group and Hub Executive Committees. This ensures that the directors and our senior leaders are kept regularly informed of developments affecting our financiers and that their views are taken properly into account when making relevant operational and strategic decisions.</p>
OUR COMMUNITY	<p>At hub and project level, our social value team work to achieve our social value strategy so that we build opportunities in local communities that deliver a lasting and positive impact. We engage with a wide range of local stakeholders to keep them informed of our local initiatives and progress on projects, which deliver significant economic and social value to local communities.</p>	<p>The Group Executive Committee has been working on embedding the principles and decision-making mechanisms of our Responsible Decision-Making (RDM) Framework into our Group processes and culture. The RDM framework, launched in FY22, is our ethical framework underpinned by universal principles of sustainability that helps our Board, Executive Committees and our people consider our values, principles and other external factors when making complex decisions.</p>

SELECT PLANT HIRE COMPANY LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

STAKEHOLDER GROUP	HOW WE ENGAGE	HOW THIS STAKEHOLDER GROUP INFLUENCED BOARD / COMMITTEE DISCUSSIONS AND DECISIONS
OUR COMMUNITY (continued)	<p>We use a wide range of communication channels (including social media) to maximise the effectiveness of how we engage with the local community across our projects.</p> <p>In the UK, we also organised a series of 'Hearts and Minds' events during Mental Health Awareness Week in May 2023 where we connected our wellbeing challenge to social value, asking our people to raise money for local charities that support our social value strategy and principles.</p> <p>Further details of our social value work are set out within our sustainability statement (see page 44 of the Laing O'Rourke Corporation Limited Group's Annual Report and Accounts).</p>	
GOVERNMENT AND REGULATORY BODIES	<p>In the UK, through our trade bodies, the Construction Leadership Council (CLC) and Build UK, we are party to regular dialogue with officials at the Department for Business and Trade, and the Department for Energy Security and Net Zero. We also have regular dialogue with the Cabinet Office.</p> <p>During the financial year, this dialogue was focused on economic conditions, including the impacts of unprecedented inflationary pressures on the sector, and the persistent issue of securing the skills and labour the sector requires. We also maintained dialogue with central UK government departments responsible for delivery of specific infrastructure projects, including the Department of Health and Social Care for hospitals, the Ministry of Justice for prisons, and the Ministry of Defence regarding modernisation of the UK defence estate.</p> <p>We are committed to developing and maintaining open and effective working relationships with regulatory bodies relevant to our business to ensure there is an understanding of our operating model and infrastructure delivery capabilities in the UK market. Where appropriate, these relationships are managed by senior leaders in our executive team.</p>	<p>Our regular dialogue with government and regulatory bodies includes members of the Group Executive Committee and ensures that the Board and our Executive Committees are briefed on the potential impact of significant developments in government policy, procurement routes, and changes to laws and regulations.</p>

This report was approved by the board on 21 December 2023 and signed on its behalf by:



.....
R C Baker
Director

SELECT PLANT HIRE COMPANY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2023

The directors present their Directors' Report together with the Audited Financial Statements of Select Plant Hire Company Limited (the "Company") for the year ended 31 March 2023.

PRINCIPAL ACTIVITIES

The principal activities of the Company in the year under review were the hire, operation and sale of plant and equipment predominantly in the United Kingdom.

Information in respect of the Business Review as well as future developments are not discussed in the Directors' Report because they are presented on page 2 within the Strategic Report in accordance with s.414c(11) of the Companies Act 2006. The directors of Laing O'Rourke Corporation Limited manage financial risks, for the Group as a whole, rather than as individual entities. For this reason, the Company's Directors believe that analysis of the Company's risks should be viewed in the context of the Group. The principal risks and uncertainties of Laing O'Rourke Corporation Limited, which includes the Company, are discussed in the Group's Annual Report and Accounts (which are available publicly at www.laingorourke.com); however, do not form part of this report.

RESULTS

The results for the financial year are set out in the Statement of Comprehensive Income on page 15. Revenue for the year was £169.5m (FY22: £155.4m). The profit before tax was £13.1m (FY22: £11.6m), and the profit for the financial year was £16.2m (FY22: £6.3m). Total shareholders' funds of the Company at 31 March 2023 were £67.9m (FY22: £51.8m).

GOING CONCERN

The financial statements have been prepared on the going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future. The Company is a wholly owned subsidiary of Laing O'Rourke Corporation Limited, the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 March 2023 (the "Group"). The Directors have assessed whether the going concern basis of preparation is appropriate by reference to the position of the entire Group, as the Company is reliant on its trading relationship with, and financial support from, this group of companies.

The Directors of Laing O'Rourke Corporation Limited have carefully considered those factors likely to affect the Group's future development, performance and financial position in relation to the ability of the Group to operate within its current and foreseeable resources - both financial and operational. The Group's Annual Report and Consolidated Financial Statements for the year ended 31 March 2023 (the "Group Financial Statements") were prepared on the assumption that the Group will continue to operate as a going concern for at least the next 12 months from 31 October 2023, being the date on which the Group Financial Statements were signed. The going concern analysis prepared for the purpose of preparing the Group Financial Statements extended to 31 March 2025 and there were no material uncertainties identified that may cast significant doubt on the Group's going concern status. The Group has sufficient financial resources, committed banking facilities, secured revenue and a strong order book. Further details of the assumptions used and the judgements made by the Directors of Laing O'Rourke Corporation Limited in relation to the Group's going concern assessment are disclosed on pages 70 to 72 of the Laing O'Rourke Corporation Limited Annual Report and Accounts.

Having made the appropriate enquiries, including with the Directors of the Group, and considering a letter of support provided to the Company, the Company's Directors have a reasonable expectation that the Group, and therefore the Company, have adequate resources to continue in operational existence for a period of at least twelve months from the date on which the Company's financial statements have been signed. For these reasons, the Company's Directors continue to adopt the going concern basis in preparing the financial statements.

SELECT PLANT HIRE COMPANY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2023

DIVIDENDS

No dividends were declared or paid in the year (FY22: £nil). The directors do not recommend the payment of a final dividend (FY22: £nil).

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

The following Directors have held office from 1 April 2022 to the date of this report:

H D O'Rourke
R C Baker
A Warrington

Changes in Directors holding office are as follows:

P J Lyons (appointed 3 August 2023)

DIRECTORS' INDEMNITIES

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and officers' liability insurance in respect of itself and its Directors.

EMPLOYMENT POLICY

All the UK staff are employed by another Group company, Laing O'Rourke Services Limited. The Group continues to provide employees with relevant information and to seek their views on matters of common concern through their representatives and through line managers. Priority is given to ensuring that employees are aware of significant matters affecting the Group's trading position and of any significant organisational changes. The Group treats each application for employment, training and promotion on merit. Full and fair consideration is given to both disabled and able-bodied applicants and employees. If existing employees become disabled, every effort is made to find them appropriate work and training is provided if necessary.

HEALTH, SAFETY AND WELFARE

The Group is committed to ensuring the health, safety and welfare of all employees at work. All reasonable measures have been taken to achieve this policy. Arrangements have been made to protect other persons against risk to health and safety arising from the activities of the Group's employees when at work.

RESEARCH AND DEVELOPMENT

The Company expenditure in research and development supports the development of construction techniques to deliver quality, certainty and value for our customers.

STREAMLINED ENERGY AND CARBON REPORTING

The Company recognises the impact climate change has on the environment and society. The Company is committed to measuring and managing the carbon emissions associated with the business operations. Streamlined Energy and Carbon Reporting ("SECR") is discussed in the Laing O'Rourke Plc Annual Report and Accounts which is available publicly but do not form part of this report.

SELECT PLANT HIRE COMPANY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2023

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the 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 financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing 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 101 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 Company will continue in business.

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

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and 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 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 Company's auditors are aware of that information.

INDEPENDENT AUDITORS

The independent auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution for their re-appointment will be proposed at the Annual General Meeting.

This report was approved by the Board on 21 December 2023 and signed on its behalf by:



R C Baker
Director

Independent auditors' report to the members of Select Plant Hire Company Limited

Report on the audit of the financial statements

Opinion

In our opinion, Select Plant Hire Company Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 March 2023; the Statement of Comprehensive Income and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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.

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.

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

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

Reporting on other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

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

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 March 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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.

Auditors' responsibilities for the audit of the financial statements

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

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

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of environmental legislation, health and safety legislation, data protection legislation, anti-bribery and corruption legislation, tax legislation, employment laws and construction laws, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in accounting estimates and judgements. Audit procedures performed by the engagement team included:

- Discussions with management, Internal Audit and the Group's internal legal counsel, including consideration of potential instances of non-compliance with laws and regulation and fraud;
- Assessment of matters reported through the Group's whistleblowing helpline and the results of management's investigation of such matters;
- Obtaining legal letters from the Group's external legal advisers in respect of certain litigation and claims where considered necessary;
- Evaluation of management's controls designed to prevent and detect irregularities;
- Substantive testing of journal entries which met a defined risk criteria, focusing on where and how fraud could arise; and
- Challenging assumptions and judgements made by management in its accounting estimates or judgements, in particular in relation to contract accounting, disputes and latent defects liabilities.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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

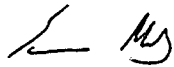
Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.



Simon Morley (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
21 December 2023

SELECT PLANT HIRE COMPANY LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2023**

	Note	2023 £000	2022 £000
Revenue		169,495	155,419
Cost of sales		(145,368)	(130,150)
GROSS PROFIT		24,127	25,269
Administrative expenses		(6,390)	(10,723)
Other operating income	4	124	56
OPERATING PROFIT	7	17,861	14,602
Interest payable and similar expenses	6	(4,747)	(2,954)
PROFIT BEFORE TAX		13,114	11,648
Tax on profit	8	3,047	(5,398)
PROFIT FOR THE FINANCIAL YEAR		16,161	6,250
Other comprehensive income, net of income tax		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		16,161	6,250

The notes on pages 19 to 41 form an integral part of these financial statements.

SELECT PLANT HIRE COMPANY LIMITED
REGISTERED NUMBER: 01973463

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

	Note	2023 £000	As restated 2022 £000
FIXED ASSETS			
Right-of-use assets	9	109,889	110,008
Property, plant and equipment	10	51,745	42,280
Investments	11	-	-
		<u>161,634</u>	<u>152,288</u>
CURRENT ASSETS			
Inventories	12	11,928	10,566
Trade and other receivables	13	20,359	26,723
Cash at bank and in hand		109	2,857
		<u>32,396</u>	<u>40,146</u>
CREDITORS			
Amounts falling due within one year	14	(52,551)	(61,732)
		<u>(20,155)</u>	<u>(21,586)</u>
NET CURRENT LIABILITIES			
		<u>141,479</u>	<u>130,702</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
CREDITORS			
Amounts falling due after more than one year	15	(67,730)	(70,067)
PROVISIONS FOR LIABILITIES			
	17	(5,814)	(8,861)
NET ASSETS			
		<u>67,935</u>	<u>51,774</u>
CAPITAL AND RESERVES			
Called up share capital	18	-	-
Profit and loss account		67,935	51,774
TOTAL SHAREHOLDERS' FUNDS			
		<u>67,935</u>	<u>51,774</u>

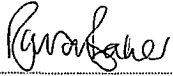
These financial statements are rounded to the nearest £1,000. Share capital of the Company in both years was £100.

The balances for right-of-use assets and property, plant and equipment in the prior year have been restated due to certain assets being incorrectly classified as right-of-use assets and property, plant and equipment depreciation being incorrectly charged to right-of-use assets. Please see note 2 for further details on the restatement.

The financial statements on pages 15 to 41 were authorised for issue by the Board of Directors on 21 December 2023 and were signed on its behalf by:

SELECT PLANT HIRE COMPANY LIMITED
REGISTERED NUMBER: 01973463

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MARCH 2023



.....
R C Baker
Director

The notes on pages 19 to 41 form an integral part of these financial statements.

SELECT PLANT HIRE COMPANY LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023**

	Called up share capital £000	Retained earnings £000	Total shareholders' funds £000
At 1 April 2021	-	238,969	238,969
Profit for the financial year and total comprehensive income	-	6,250	6,250
Distribution to shareholder	-	(193,445)	(193,445)
Balance at 31 March 2022	-	51,774	51,774
Profit for the financial year and total comprehensive income	-	16,161	16,161
Balance at 31 March 2023	-	67,935	67,935

The notes on pages 19 to 41 form an integral part of these financial statements.

SELECT PLANT HIRE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1. GENERAL INFORMATION

Select Plant Hire Company Limited is a private company, limited by shares, incorporated and domiciled in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparation of financial statements

The financial statements of Select Plant Hire Company Limited have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 as applicable to companies using FRS 101.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the UK (UK-adopted international accounting standards), but makes amendments where necessary in order to comply with the Companies Act 2006 and to take advantage of FRS 101 disclosure exemptions.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

Financial Reporting Standard - FRS 101 Reduced disclosure exemption

- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D and 111 of IAS 1 Presentation of Financial Statements;
- the requirements of paragraphs 134 to 136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures; and
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. ACCOUNTING POLICIES (CONTINUED)

Restatement of prior year comparatives

The following balances have been restated in the prior year in the Statement of Financial Position for FY23 due to assets being incorrectly classified as right-of-use assets and right-of-use asset depreciation being incorrectly charged to property, plant and equipment in FY22:

Property, plant and equipment (PPE) as at 31 March 2022 has been restated by £19.4m, comprising £22.0m relating to the incorrect classification of assets and £2.6m relating to the incorrect depreciation charged to right-of-use assets instead of PPE, increasing the net book value to £42.3m and right-of-use (ROU) assets have been restated by £19.4m reducing the net book value to £110.0m. This adjustment had no impact on net assets or profit for the year.

In order to provide greater transparency, in FY23 there is now a separate note for each of PPE (note 10) and ROU assets (note 9) which aligns to the Statement of Financial Position presentation, compared with one note in the prior year summarising the total PPE and ROU and a breakdown of ROU assets within the leasing note (note 16 in the prior year).

Note 16 'Leasing' as disclosed in the FY22 financial statements has been re-presented such that the ROU assets are now disclosed in note 9 and the lease liabilities are disclosed in note 15 in the FY23 financial statements.

Corresponding liabilities in relation to financed assets which were previously incorrectly included within ROU assets (as noted above) were classified as lease liabilities in FY22. In line with the asset restatement noted above, these liabilities were reclassified as bank loans and other borrowings resulting in a restatement of the FY22 comparatives. Lease liabilities (creditors: amounts falling due within one year) in FY22 have been restated by £5.0m reducing the balance to £23.5m. Lease liabilities (creditors: amounts falling due after more than one year) in FY22 have been restated by £15.9m reducing the balance to £54.1m. Bank loans and overdrafts (creditors: amounts falling due within one year) in FY22 has been restated by £5.0m increasing the balance to £5.2m and bank loans and other borrowings (creditors: amounts falling due after more than one year) has been restated by £15.9m increasing the balance to £15.9m. These restatements impact the Statement of Financial Position and notes 14, 15 and 16. This adjustment had no impact on net assets or profit for the year.

Interest related to the restatement of lease liabilities has also been restated in the FY22 comparatives, reducing lease liability interest by £0.4m to £2.5m and increasing bank loan interest by £0.4m to £0.4m. This restatement only impacts note 6 and not the Statement of Comprehensive Income.

Depreciation related to the restatement of property, plant and equipment and right-of-use assets has also been restated in the FY22 comparatives, increasing depreciation of tangible assets - owned assets by £4.9m to £9.3m and reducing depreciation of tangible assets - right of use assets by £4.9m to £8.7m. This restatement only impacts note 7 and not the Statement of Comprehensive Income.

SELECT PLANT HIRE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

2. ACCOUNTING POLICIES (CONTINUED)

Consolidation

The information is included in the consolidated financial statements of Laing O'Rourke Corporation Limited, as at 31 March 2023 and these financial statements may be obtained from www.laingorourke.com

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.

The financial statements are presented in Sterling (£) which is the functional currency for the Company.

Going Concern

The financial statements have been prepared on the going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future. The Company is a wholly owned subsidiary of Laing O'Rourke Corporation Limited, the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 March 2023 (the "Group"). The Directors have assessed whether the going concern basis of preparation is appropriate by reference to the position of the entire Group, as the Company is reliant on its trading relationship with, and financial support from, this group of companies.

The Directors of Laing O'Rourke Corporation Limited have carefully considered those factors likely to affect the Group's future development, performance and financial position in relation to the ability of the Group to operate within its current and foreseeable resources - both financial and operational. The Group's Annual Report and Accounts for the year ended 31 March 2023 (the "Group Financial Statements") were prepared on the assumption that the Group will continue to operate as a going concern for at least the next 12 months from 31 October 2023, being the date on which the Group Financial Statements were signed. The going concern analysis prepared for the purpose of preparing the Group Financial Statements extended to 31 March 2025 and there were no material uncertainties identified that may cast significant doubt on the Group's going concern status. The Group has sufficient financial resources, committed banking facilities, secured revenue and a strong order book. Further details of the assumptions used and the judgements made by the Directors of Laing O'Rourke Corporation Limited in relation to the Group's going concern assessment are disclosed on pages 70 to 72 of the Laing O'Rourke Corporation Limited Annual Report.

Having made the appropriate enquiries, including with the Directors of the Group, and considering a letter of support provided by the Group to the Company, the Company's Directors have a reasonable expectation that the Group, and therefore the Company, have adequate resources to continue in operational existence for a period of at least twelve months from the date on which the Company's financial statements have been signed. For these reasons, the Company's Directors continue to adopt the going concern basis in preparing the financial statements.

SELECT PLANT HIRE COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. ACCOUNTING POLICIES (CONTINUED)

Finance income/(expense)

Finance income/(expense) is recognised using the effective interest rate method. In calculating interest income/(expense), the effective interest rate is applied to the gross carrying value of the asset, when the asset is not impaired, or to the amortised cost of the liability for interest expense. For financial assets that have been impaired after initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer impaired the interest income calculation reverts to the gross carrying amount.

Tax and deferred tax

Tax expense represents the sum of the tax currently payable and deferred tax. The current tax expense is based on the taxable profits for the year, after any adjustments in respect of prior years. Taxable profit differs from net profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it also excludes items that are neither taxable nor deductible. The Company's liability for current tax is calculated using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is provided on temporary differences arising from investments in subsidiaries, associates, and joint ventures, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the difference will not reverse in the foreseeable future. Deferred taxes are not provided in respect of temporary differences arising from the initial recognition of goodwill, or from goodwill for which amortisation is not deductible for tax purposes, or from the initial recognition of an asset or liability in a transaction which is not a business combination and affects neither accounting profit nor taxable profit or loss at the time of the transaction. Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax is calculated at the tax rates based on those enacted or substantively enacted at the balance sheet date and are expected to apply when the related asset is realised or liability settled. Deferred tax is charged or credited in the statement of comprehensive income except when it relates to items charged or credited directly to equity, in which case the deferred tax is also included in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same tax authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

SELECT PLANT HIRE COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. ACCOUNTING POLICIES (CONTINUED)

Property, plant, and equipment

Property, plant, and equipment is measured at cost less accumulated depreciation and accumulated impairment losses.

Depreciation has been computed to write off the cost of the property, plant, and equipment over their useful expected lives as detailed below:

Plant & Machinery 2-15 years
Fixtures and fittings 4 years
Motor vehicles 4-8 years
Computer equipment 3 years

Plant and machinery includes tower cranes, crawler cranes and other specialist assets that are depreciated up to a useful life of 15 years as well as small tools that are depreciated between 2 and 5 years.

Short leasehold property is depreciated over the unexpired life of the lease on a straight line basis.

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

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

Leases

The Company assesses whether a contract is or contains a lease, at inception of a contract. A lease exists if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate. The Company has elected to apply the practical expedient which allows the Company to

SELECT PLANT HIRE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

2. ACCOUNTING POLICIES (CONTINUED)

Leases (continued)

use a single discount rate for a portfolio of leases with similar characteristics.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has used this practical expedient.

Sale and leaseback

A sale and leaseback transaction will occur when the Company (the seller-lessee) transfers an asset to another entity (the buyer-lessor) and leases that asset back from the buyer-lessor. The Company determines whether the transfer qualifies as a sale in accordance with IFRS 15, or whether the transaction is a collateralised borrowing.

When a sale and leaseback transaction results in a sale (i.e. a performance obligation is satisfied), the underlying asset is immediately derecognised and the right-of-use asset is measured as the proportion of the previous carrying amount of the asset relating to the right of use retained by the Company.

Amounts of gain or loss recognised by the Company are limited to the proportion of the total gain or loss related to the rights transferred to the buyer.

When a sale and leaseback transaction does not result in a sale, the Company will continue to recognise the underlying asset and depreciate over its useful life. No gain or loss is recognised for any excess of sales proceeds over the carrying amount of the asset. Instead, the proceeds are presented as a financial liability in accordance with IFRS 9, Financial Instruments.

Investments

Investments are stated at cost less provision for a permanent diminution in value. Income from investments is included in the Income statement when the right to receive payment is recognised.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

SELECT PLANT HIRE COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. ACCOUNTING POLICIES (CONTINUED)

Trade and other receivables

Trade receivables are initially recorded at fair value and subsequently measured at amortised cost as reduced by allowance for expected credit losses and appropriate allowances for estimated irrecoverable amounts. Subsequent recoveries of amounts previously written off are credited to the income statement line in which the provision was originally recognised.

The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Cash and cash equivalents

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

Loans and overdrafts

Interest-bearing bank loans and overdrafts are recognised initially at fair value net of transaction costs incurred, and subsequently measured at amortised cost with the difference between initial net proceeds and redemption value recognised in the income statement over the period to redemption.

Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Creditors are presented as amounts falling due within one year unless payment is not due within 12 months after the reporting period.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event, where it is probable that an outflow will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

SELECT PLANT HIRE COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. ACCOUNTING POLICIES (CONTINUED)

Revenue recognition

The Company recognises revenue from plant hire and operations when it transfers control over a product or service to its customer. Revenue is measured at the fair value of the consideration received or receivable, net of sales tax, for goods and services supplied to external customers, and excludes amounts collected on behalf of third-parties. Revenue from the hire of plant and machinery is recognised over the contract period with customers. Revenue recognition is based on the satisfaction of individual performance obligations and these obligations are satisfied over time. Revenue earned from the disposal of plant and equipment is recognised when control of the item has transferred to the buyer, the amount of revenue can be measured reliably, it is probable that the associated economic benefits will flow to the Company, and costs incurred or to be incurred can be measured reliably. Proceeds from the disposal of fixed assets are shown in revenue.

The Company does not expect to have any contracts where the period between the request for payment for the transfer of goods and services to the customer and the payment by the customer exceeds one year. As a consequence, the Company does not adjust its transaction price for the time value of money

Foreign currencies

Foreign currency transactions are translated into pounds sterling using the exchange rates prevailing at the date of the transaction. Foreign currency denominated monetary assets and liabilities are re-translated at the exchange rates ruling at the balance sheet date. Exchange differences arising from foreign currency transactions are reflected in the profit and loss account.

Research and development

Expenditure on research and development is charged to the income statement in the year in which it is incurred. Research and development expenditure credits relate to amounts recoverable from HMRC on previously incurred expenditure.

SELECT PLANT HIRE COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. ACCOUNTING POLICIES (CONTINUED)

Key judgements and estimates

The preparation of financial statements under FRS 101 requires management to make estimates and assumptions that affect amounts recognised for assets and liabilities at the statement of financial position date and the amounts of revenue and the expenses incurred during the reported period. Actual outcomes may therefore differ from these estimates and assumptions. The estimates and assumptions that have the most significant impact on the carrying value of assets and liabilities of the Company within the next financial year are detailed as follows:

a) Going concern (judgement and estimate)

In preparing these financial statements using the going concern basis of accounting, management has considered the forecast future cash flows of the Group under a management case scenario and several downside scenarios (see pages 70 to 72 of the Directors' Report of the Laing O'Rourke Corporation Group Annual Report and Accounts). Forecast future cash flows include the following areas of judgement:

- Work winning for the Group;
- Construction activity including project margins and working capital position;
- Support of the supply chain in terms of product material, labour supply and flexibility in payment terms;
- Inflationary pressures;
- Disruption to the supply chain;
- Timing and quantum of outcomes of claims; and
- Structural drivers for construction work;

In order to form a conclusion on going concern and in determining that there is no material uncertainty that may cast significant doubt on the Group's going concern status, management has exercised judgement by analysing the past performance of the business, its existing portfolio of projects and order book, and its expectation of work winning. In addition, management has drawn on its knowledge and expertise of key drivers of cash flow performance in the construction sector in the markets in which it operates to assess the forecast liquidity and covenant headroom under its committed financing facilities based on its severe but plausible downside scenario.

b) Tax (judgement and estimate)

The Company is subject to tax and judgement is required in determining the provision for income taxes. The Company provides for future liabilities in respect of uncertain tax positions where it is probable that additional tax may become payable in future periods and such provisions are based upon management's assessment of exposures.

SELECT PLANT HIRE COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. ACCOUNTING POLICIES (CONTINUED)

Other judgements and estimation uncertainty

a) Climate Change (judgement and estimate)

In preparing the consolidated financial statements management has considered the impact of climate change. Potential impacts of climate change, which include increased intensity and frequency of weather events and stricter environmental legislation, have been considered by management, together with the Group's stated target of becoming operational net zero by 2030 and developing plans to achieve net zero Scope 3 emissions by 2050 to the extent these can be forecast at present. These considerations did not have a material impact on the financial reporting judgements and estimates and climate change is not expected to have a significant impact on the Group's going concern assessment to March 2025.

Specific areas considered by management included:

- The appropriateness of the estimated useful economic lives of the Company's property, plant, and equipment and right-of-use assets where no significant changes are currently needed (notes 9 and 10).

The Group continues to invest in new technologies and product development including a project to decarbonise manufactured concrete components used in construction. The costs of these projects are currently being expensed as incurred.

3. REVENUE

Revenue was generated in the United Kingdom by the hire and operation of plant and equipment. Revenue also includes the sale of plant and equipment.

4. OTHER OPERATING INCOME

	2023	2022
	£000	£000
Research and development expenditure credit	124	56
	124	56

The research and development expenditure is based on an assessment of recoverability from HMRC. The amount for FY23 includes additional claims for prior year expenditure.

SELECT PLANT HIRE COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

5. EMPLOYEES AND DIRECTORS

The Company has no employees (FY22: none). All of the Directors and staff working on the Company's contracts are employed by another subsidiary undertaking of Laing O'Rourke Corporation Limited, Laing O'Rourke Services Limited. Costs for staff are incurred on the basis of time spent on the Company's contracts and these costs are included in cost of sales or administrative expenses as appropriate. As Directors hold directorships for other Group companies it is not possible to make a reasonable apportionment of the emoluments, therefore no key management personnel compensation has been disclosed. The Laing O'Rourke Services Limited financial statements disclose this, and are available from Companies House.

6. FINANCE EXPENSE

	2023	As restated
	£000	2022 £000
Bank loan interest	193	406
Lease liabilities	4,554	2,548
	<u>4,747</u>	<u>2,954</u>

Bank loan interest and lease liability interest expense related to property, plant and equipment and right-of-use assets have been restated. See note 2 for further details of the restatement.

SELECT PLANT HIRE COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

7. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2023	As restated
	£000	2022
		£000
Depreciation of tangible assets - owned assets*	3,638	9,345
Depreciation of tangible assets - right-of-use assets*	15,671	8,712
Expense relating to short term leases or leases of low value assets	16,610	16,049
Inventory recognised as an expense	8,654	11,913
Foreign exchange loss	213	115
Research and development credit	(124)	(56)
Profit on disposal of tangible assets	(2,120)	(1,299)
	<u>(2,120)</u>	<u>(1,299)</u>

The audit fee and other administrative expenses of the Company were borne by another Group company, Laing O'Rourke Services Limited.

*Depreciation related to property, plant and equipment and right-of-use assets have been restated. See note 2 for further details of the restatement.

8. TAX ON PROFIT

	2023	2022
	£000	£000
Current tax		
UK corporation tax	-	-
Total current tax	<u>-</u>	<u>-</u>
Deferred tax		
Origination and reversal of temporary differences	942	3,021
Impact of change in tax rate	-	2,127
Adjustments in respect of prior periods	(3,989)	250
Total deferred tax (credit)/charge	<u>(3,047)</u>	<u>5,398</u>
Total tax (credit)/charge on profit	<u>(3,047)</u>	<u>5,398</u>

Management reviews the basis of all available tax elections and confirm positions reported in the financial statements are always reasonable and prudent, particularly where judgement is being exercised. The adjustments in respect of prior periods of £3.9m for FY23 arises from a filing decision, subsequent to the FY22 financial statements being finalised, to claim the capital allowances super deduction on certain FY22 additions.

SELECT PLANT HIRE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

8. TAX ON PROFIT (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (FY22: higher than) the standard rate of corporation tax in the UK of 19 per cent (FY22: 19 per cent). The differences are explained below:

	2023 £000	2022 £000
Profit before taxation	<u>13,114</u>	<u>11,648</u>
Profit before taxation multiplied by standard rate of corporation tax in the UK of 19 per cent (FY22: 19 per cent)	2,492	2,213
Effects of:		
(Income not subject to tax)/expenditure not tax deductible	(1,710)	1,030
Adjustments in respect of prior periods	(3,989)	250
Impact of change in tax rate	-	2,127
Effect of group relief	(44)	(222)
Other adjustments	204	-
Total tax (credit)/charge for the year	<u><u>(3,047)</u></u>	<u><u>5,398</u></u>

Factors that may affect future tax charges

On 20 June 2023, Finance (No.2) Act 2023 was substantively enacted in the UK, introducing a global minimum effective tax rate of 15%. The legislation implements a domestic top-up tax and a multinational top-up tax, effective for accounting periods starting on or after 31 December 2023. The Group does not account for deferred tax on top-up taxes and, therefore, if these rules had been substantively enacted on the balance sheet date, there would have been no impact.

On 3 March 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would rise from 19% to 25%. This new law was substantively enacted on 24 May 2021 and therefore UK deferred tax assets and liabilities, that were previously recognised at 19%, were recalculated at 25% resulting in a £2.1m charge during FY22.

The Finance Act 2021 announced a 130% super-deduction for expenditure on qualifying assets incurred from 1 April 2021 until the end of March 2023 and a 50% first year allowance was introduced for special rate assets. The Company is expecting to claim this relief on £33.8m of additions during FY23 (£37.3m FY22) across property, plant, and equipment and right-of-use assets.

SELECT PLANT HIRE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

9. RIGHT-OF-USE ASSETS

	Short leasehold £000	Fixtures and fittings £000	Motor vehicles £000	Plant and machinery £000	Total £000
Cost					
At 1 April 2022 (restated)	9,593	1,266	17,294	114,111	142,264
Additions	-	-	1,052	30,528	31,580
Transfers to PPE	-	-	(279)	(24,865)	(25,144)
Disposals	(727)	(1,266)	(466)	(8,120)	(10,579)
At 31 March 2023	8,866	-	17,601	111,654	138,121
Accumulated Depreciation					
At 1 April 2022 (restated)	1,810	1,184	5,509	23,753	32,256
Charge for the year	953	82	3,493	11,143	15,671
Disposals	(727)	(1,266)	(332)	(6,206)	(8,531)
Transfers to PPE	-	-	(263)	(10,901)	(11,164)
At 31 March 2023	2,036	-	8,407	17,789	28,232
Net book value					
At 31 March 2023	6,830	-	9,194	93,865	109,889
At 31 March 2022 (restated)	7,783	82	11,785	90,358	110,008

Right-of-use assets as at 31 March 2022 have been restated by £19.4m reducing the net book value to £110.0m. See note 2 for further details of the restatement.

SELECT PLANT HIRE COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

10. PROPERTY, PLANT AND EQUIPMENT

	Short leasehold £000	Plant and machinery £000	Motor vehicles £000	Fixtures and fittings £000	Total £000
Cost					
At 1 April 2022 (restated)	1,286	101,402	467	999	104,154
Additions	-	253	-	-	253
Disposals	-	(3,829)	(79)	-	(3,908)
Transfer from ROU assets	-	24,865	279	-	25,144
At 31 March 2023	<u>1,286</u>	<u>122,691</u>	<u>667</u>	<u>999</u>	<u>125,643</u>
Accumulated Depreciation					
At 1 April 2022 (restated)	1,046	59,654	175	999	61,874
Charge for the year	-	3,638	-	-	3,638
Disposals	-	(2,712)	(66)	-	(2,778)
Transfers from ROU assets	-	10,901	263	-	11,164
At 31 March 2023	<u>1,046</u>	<u>71,481</u>	<u>372</u>	<u>999</u>	<u>73,898</u>
Net book value					
At 31 March 2023	<u>240</u>	<u>51,210</u>	<u>295</u>	<u>-</u>	<u>51,745</u>
At 31 March 2022 (restated)	<u>240</u>	<u>41,748</u>	<u>292</u>	<u>-</u>	<u>42,280</u>

Property, plant and equipment as at 31 March 2022 have been restated by £19.4m increasing the net book value to £42.3m. See note 2 for further details of the restatement.

SELECT PLANT HIRE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

11. INVESTMENTS

The Company's investments at the Statement of Financial Position date in the share capital of companies include the following:

Joint Venture

Explore Transport Limited

Registered office: Bridge Place, Anchor Boulevard, Admirals Park, Dartford, Kent DA2 6SN

Nature of business: Freight transport by road

Class of shares:	% holding
£1 Ordinary A shares	50

This is a private company; there is no quoted price available for its shares. Set out below is the summarised financial information for the joint venture, included as it is material to the Company. The information disclosed reflects the amounts presented in the financial statements of the joint venture and not Select Plant Hire Company Limited's share of these amounts.

SELECT PLANT HIRE COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

11. INVESTMENTS (CONTINUED)	2023	2022
	£'000	£'000
Revenue	78,735	68,887
Depreciation and amortisation	(7,715)	(6,427)
Other expenses	(64,623)	(58,973)
Operating profit	6,397	3,487
Net finance costs	(1,335)	(799)
Profit before tax	5,062	2,688
Tax expense	(981)	(511)
Profit after tax	4,081	2,177
Other comprehensive income	-	84
Total comprehensive income	4,081	2,261
Non current assets		
Property, plant and equipment	34,975	34,199
Current assets		
Other current assets	14,798	14,875
Cash and cash equivalents	4,852	4,143
Total assets	54,625	53,217
Current liabilities		
Borrowings	(3,236)	(4,825)
Other current liabilities	(11,379)	(16,044)
Corporation tax liability	(1,331)	(1,000)
Non-current liabilities		
Borrowings	(20,847)	(17,733)
Other non-current liabilities	(2,773)	(2,716)
Total liabilities	(39,566)	(42,318)
Net assets	15,059	10,899
Dividend paid	-	-

SELECT PLANT HIRE COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

12. INVENTORIES

	2023	2022
	£000	£000
Finished goods	11,928	10,566
	11,928	10,566

Inventories are stated after a provision of £nil (FY22: £1,205,000). Inventories carried at net realisable value at 31 March 2023 did not differ from their carrying value.

13. TRADE AND OTHER RECEIVABLES

	2023	2022
	£000	£000
Amounts falling due within one year:		
Trade debtors	6,356	6,626
Amounts owed by group undertakings	6,511	10,728
Amounts owed by joint ventures	93	485
Other receivables	1,402	2,474
Corporation tax	220	130
VAT	1,254	3,965
Prepayments and accrued income	4,523	2,315
	20,359	26,723

Amounts owed by Group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand. They are stated after provisions for impairment of £6,000 (FY22: £8,000).

Trade debtors are stated after a provision using the simplified approach to measuring expected credit losses of £375,000 (FY22: £366,000) and a credit note provision of £366,000 (FY22: £556,000).

SELECT PLANT HIRE COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	As restated
	£000	2022 £000
Bank loans and overdrafts (see note 16)*	5,814	5,177
Lease liabilities*	25,783	23,493
Trade payables	9,003	10,889
Amounts owed to group undertakings	1,746	9,634
Amounts owed to joint ventures	396	137
Other payables	634	944
Accruals	9,175	11,458
	52,551	61,732

Amounts owed to Group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

See note 2 for further details of the restatement.

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2023	As restated
	£000	2022 £000
Bank loans and other borrowings (see note 16)*	11,617	15,926
Lease liabilities*	56,113	54,141
	67,730	70,067

See note 2 for further details of the restatement.

The Company has lease contracts for property and equipment. Total cash outflow for the year was £36,987,301 (FY22: £24,062,000). The amounts recognised in the financial statements in relation to the leases are as follows:

SELECT PLANT HIRE COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

	2023 £000	As restated 2022 £000
Lease liabilities		
Due within one year	25,783	23,493
Between one and two years	51,526	43,680
Between two and five years	4,587	10,461
	<u>81,896</u>	<u>77,634</u>

16. LOANS AND OTHER BORROWINGS

Analysis of the maturity of loans is given below:

	2023 £000	As restated 2022 £000
Amounts falling due within one year		
Bank loans and other borrowings	5,814	5,177
	<u>5,814</u>	<u>5,177</u>
Amounts falling due in year 2		
Bank loans and other borrowings	6,098	5,465
	<u>6,098</u>	<u>5,465</u>
Amounts falling due in 3-5 years		
Bank loans and other borrowings	5,519	10,461
	<u>5,519</u>	<u>10,461</u>
	<u>17,431</u>	<u>21,103</u>

See note 2 for further details of the restatement.

SELECT PLANT HIRE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

17. PROVISION FOR LIABILITIES

Deferred tax liability

	2023 £000	2022 £000
At beginning of year	(8,861)	(3,463)
Credited/(charged) to profit or loss	3,047	(5,398)
At end of year	(5,814)	(8,861)

The provision for deferred taxation is made up as follows:

	2023 £000	2022 £000
Accelerated capital allowances	(15,210)	(8,861)
Tax losses carried forward	9,566	-
Other temporary differences	(170)	-
	(5,814)	(8,861)

18. CALLED UP SHARE CAPITAL

	2023 £	2022 £
Authorised, allotted, called up and fully paid		
100 (FY22:100) Ordinary shares of £1 each	100	100

19. CAPITAL COMMITMENTS

	2023 £000	2022 £000
Details of capital commitments at the year end are as follows:		
Contracted but not provided for in the financial statements	8,444	14,964

SELECT PLANT HIRE COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

20. GUARANTEES AND CONTINGENT LIABILITIES

At 31 March 2023, the Company was a guarantor of an unsecured committed credit facility of Laing O'Rourke Plc of £35.0m that expires 3 April 2026. This was undrawn at 31 March 2023. The Company is also a guarantor in respect of Surety Bonds and Bank Guarantees issued on behalf of Laing O'Rourke Plc and its subsidiaries. No material losses are anticipated in respect of these contingent liabilities.

21. ULTIMATE CONTROLLING PARTY

The immediate parent undertaking of Select Plant Hire Company Limited is Laing O'Rourke Holdings Limited, a company registered in England and Wales.

The ultimate parent company of Select Plant Hire Company Limited is Laing O'Rourke Corporation Limited, a company incorporated in Jersey. R G O'Rourke KBE is the ultimate controlling party by virtue of his majority shareholding.

Laing O'Rourke Corporation Limited is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 March 2023. The Laing O'Rourke Corporation Limited Group's Annual Report and Accounts are available for viewing at www.laingorourke.com.

The consolidated financial statements of Laing O'Rourke Holdings are the smallest available group of undertakings to consolidate these financial statements. The consolidated financial statements of Laing O'Rourke Holdings Limited are available from the Registrar of Companies in England and Wales.

SELECT PLANT HIRE COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

22. RELATED PARTY DISCLOSURES

	Income / (expenditure) in year 2023 £000	Debtor / creditor at year- end 2023 £000	Income / (expenditure) in year 2022 £000	Debtor /(creditor) at year- end 2022 £000
Sale of goods and services provided by related parties				
Explore Transport Limited (JV) - hire of equipment and operating service	116	93	411	485
Explore Transport Limited (JV) - hire of equipment and transport service	(5,130)	(396)	(4,721)	(137)
Oisin Aviation (Jersey) LP - leasing cost	(327)	-	(90)	-
Oisin Aviation (IOM) LP - leasing cost	(148)	-	(119)	-

Explore Transport Limited is a related party by virtue of the fact that it is a joint venture undertaking of the Laing O'Rourke Corporation Limited Group.

Oisin Aviation (Jersey) LP and Oisin Aviation (IOM) LP are related parties as the limited partners were R G O'Rourke KBE and H D O'Rourke. R G O'Rourke KBE and H D O'Rourke are the ultimate owners of Laing O'Rourke Corporation Limited, which is the ultimate parent undertaking of Select Plant Hire Company Limited.

23. POST BALANCE SHEET EVENTS

At 31 March 2023, the Company was a guarantor of an unsecured committed credit facility of Laing O'Rourke Plc of £35.0m that expires 3 April 2026. The Laing O'Rourke Corporation Group has in place an unsecured revolving credit facility with HSBC for £35.0m. The loan had an initial expiry date of 3 October 2023, which was extended to 3 April 2024 during FY23 and further to 3 April 2026 since the year end. As part of the extension, covenants related to interest cover and net debt to EBITDA were replaced by an adjusted EBITDA covenant, and the minimum liquidity covenant was amended to include three forecast month-end periods. The facility has been maintained at £35.0m through to 31 March 2025, at which point quarterly £2.5m reductions commence, reducing the facility to £25.0m by 31 December 2025.