Registered number: 03442849

PROHIRE GROUP LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

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PROHIRE GROUP LIMITED

COMPANY INFORMATION

Directors	P D Hassall (appointed 11 January 2019) A P Morley (appointed 11 January 2019) D B Barlow (resigned 14 October 2019) J Edwards (appointed 12 July 2019) J P Skelly (appointed 14 October 2019) D Barlow (resigned 11 January 2019)
Registered number	03442849
Registered office	React House Spedding Road Fenton Industrial Estate Stoke on Trent Staffordshire ST4 2ST
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors No 1 Spinningfields 1 Hardman Square Manchester M3 3EB United Kingdom

PROHIRE GROUP LIMITED

CONTENTS

STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2019

The directors present their Strategic Report for the Company for the year ended 31 March 2019.

Principal activity

The principal activity of the Company in the period under review was that of a holding company.

Business review and future developments

On 23 April 2018, the Company's previous ultimate parent was acquired by Project Georgia Bidco Limited, a subsidiary of Project Georgia Topco Limited. The ultimate controlling party of Project Georgia TopCo Limited is NorthEdge Capital LLP by virtue of their majority shareholding.

The directors are satisfied with the results achieved. The directors expect the Company to continue to perform at this level in the future.

Key performance indicators

Given the simple nature of the Company the Directors consider the net asset position to be the main key performance indicator. Net assets at the year end had increased to £245,915 from net liabilities of £1,148,869.

Principal risks and uncertainties

The Company is dependent on the wider Group for servicing of debt held. Operations of the wider Group therefore expose it to a variety of financial risks that include the effects of changes in debt market prices, liquidity risk, and interest rate risk. The Company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Company by monitoring levels of debt finance and the related finance costs.

As noted in the Directors' Report the company is dependent on its trading indirect subsidiary, Prohire Limited, for funds which services its borrowings.

Prohire Limited, an indirect subsidiary, has confirmed to the directors that its present intention is to provide financial support for at least 15 months from the date of these accounts to enable to Company to continue to meet its financial obligations.

Interest rate cash flow risk
The Company's interest bearing liabilities relate to variable rate banking facilities. The directors monitor the overall level of borrowings and interest costs to limit any adverse effects on the financial performance of the Group. Due to the uncertainties around Covid-19 we have performed forecast downside scenarios to consider the impact on our cash reserves. These forecasts show that over the following 18 months from the date of signature of these financial statements there will be adequate cash headroom. The funding of this Company is largely through intercompany balances and this reduces the cash requirement in the short term.

Liquidity risk
The Company actively maintains a mixture of long-term and short-term debt finance that is designed to ensure the group has sufficient available funds for operations and planned expansions.

This report was approved by the board and signed on its behalf.

J L Edwards
Director

Date: 3/4/2020

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2019

The directors present their report and the audited financial statements for the year ended 31 March 2019.

Review of the business and future developments

The Company acts as an intermediate holding company within the Project Georgia Topco Limited Group and the results for the year, which consist of sundry expenses and dividends, are shown in the statement of comprehensive income. The Company will continue to operate as an intermediate holding company for the foreseeable future.

Results and dividends

The profit for the year, after taxation, amounted to £6,578,909 (2018: £19,863 loss).

Dividends of £5,184,125 were declared and paid in the year (2018: £nil).

Directors

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

P D Hassall (appointed 11 January 2019)
A P Morley (appointed 11 January 2019)
D B Barlow (resigned 14 October 2019)
J Edwards (appointed 12 July 2019)
J P Skelly (appointed 14 October 2019)
D Barlow (resigned 11 January 2019)
P R Jacques (resigned 14 December 2018)

Statement of directors' responsibilities in respect of the financial statements

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 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 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 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 company will continue in business.

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

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

Qualifying third party indemnity provisions

The Company maintains Directors' and Officers' liability insurance cover. In addition, through the financial year and at the date of this report, qualifying third party indemnity provisions within the meaning of Sections 232-234 of the Companies Act were in place for all of the directors.

Going concern

Prohire Limited, a direct subsidiary, has confirmed to the directors that its present intention is to provide financial support for at least 15 months from the date of these accounts to enable to Company to continue to meet its financial obligations.

Having operated the group in similar circumstances in previous years, the board of the group is content that the internal controls over liquidity cope sufficiently. The board considers that the group's ratio of net liabilities to net cash flows from operating activities to be comfortably managed for 18 months from the date of signature of these financial statements .

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for 18 months from the date of signature of these financial statements. Accordingly, the company continues to adopt the going concern basis in preparing the financial statements.

The outbreak of Covid-19 in the United Kingdom in 2020, subsequent to the end of the financial year, has brought about a period of economic uncertainty. We have reviewed potential exposures on our balance sheet such as the ability of our customers to make payments and potential sources of additional funding and are taking actions to reduce our sensitivity to the impact of this outbreak on our business. These actions include agreement of payments deferrals with HMRC and asset funders, furloughing of non-core employees and refocusing our sales force effort on areas of the market where there is high demand during the Covid-19 pandemic such as supermarket delivery and associated sectors. Notwithstanding our strong liquidity position and the operational and financial actions that we are taking, a deterioration in the situation would have adverse implications for our business and as such there is a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. Whilst the group has undertaken a number of sensitivity overlays such as reductions in operating revenues, changes in its cost base and customer cash receipts it is not practicable to quantify the potential financial impact of the outbreak on the Company at this point.

Disclosure of information to auditors

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

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent Auditors

Following the year end, Grant Thornton UK LLP resigned as auditors and were replaced by PricewaterhouseCoopers LLP. Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and PricewaterhouseCoopers LLP will therefore continue in office.

This report was approved by the board and signed on its behalf.

J Edwards
Director

Date: 3/4/2020

Independent auditors' report to the members of Prohire Group Limited

Report on the audit of the financial statements

Opinion

In our opinion, Prohire Group Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 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, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Directors' Report and Financial Statements (the "Annual Report"), which comprise: the Statement of financial position as at 31 March 2019; the Statement of comprehensive income, 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.

Material uncertainty related to going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 2.3 to the financial statements concerning the entity's ability to continue as a going concern. The going concern status of the company is intrinsically linked to the success of the main trading entity of the group, Prohire Limited. The directors have considered the potential impact that the COVID-19 outbreak could have on the sector and the company, and the group as a whole, by performing an assessment at the group level. In doing so, they have considered potential exposures and additional sources of funding available to them, and have evaluated potential downside sensitivities in light of the UK government's latest guidance to the public, which may erode the group's cash reserves. The failure of Prohire Limited to generate future operating revenues and cashflows would therefore have a direct impact on the going concern position of the company. These conditions, along with the other matters explained in note 2.3 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the entity's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the entity was unable to continue as a going concern.

Reporting on other information

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

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

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

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

Independent auditors' report to the members of Prohire Group Limited (continued)

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 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

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

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

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

Jonathan Studholme

Jonathan Studholme (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester
3 April 2020

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2019

	Note	2019 £	*2018 £*
Administrative expenses		**(696)**	*(7,628)*
Other operating income	4	**44,199**	*80,750*
Operating profit		**43,503**	*73,122*
Dividend income		**6,600,000**	*-*
Interest payable and similar expenses	6	**(67,154)**	*(93,121)*
Profit / (loss) before tax		**6,576,349**	*(19,999)*
Tax on profit / (loss)	7	**2,560**	*136*
Profit / (loss) for the financial year		**6,578,909**	*(19,863)*

There was no other comprehensive income for 2019 (2018: £NIL).

The notes on pages 9 to 20 form part of these financial statements.

PROHIRE GROUP LIMITED
REGISTERED NUMBER: 03442849

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019

	Note		2019 £		2018 £
Fixed assets					
Investment property	8		500,275		500,275
Investments	9		19,483,282		19,483,282
			19,983,557		19,983,557
Current assets					
Debtors: amounts falling due within one year	10	-		25,297	
		-		25,297	
Creditors: amounts falling due within one year	11	(19,160,657)		(19,760,957)	
Net current liabilities			(19,160,657)		(19,735,660)
Total assets less current liabilities			822,900		247,897
Creditors: amounts falling due after more than one year	12		(576,985)		(1,396,766)
Net assets / (liabilities)			245,915		(1,148,869)
Capital and reserves					
Called up share capital	15		76,000		76,000
Share premium account	16		5,559		5,559
Profit and loss account	16		164,356		(1,230,428)
Total equity			245,915		(1,148,869)

The notes on pages 9 to 20 form part of these financial statements.

The financial statements on pages 6 to 20 were approved and authorised for issue by the board and were signed on its behalf by:

J Edwards
Director

Date: 3/4/2020

PROHIRE GROUP LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2017	76,000	5,559	(1,210,565)	(1,129,006)
Comprehensive expense for the year				
Loss for the year	-	-	(19,863)	(19,863)
At 31 March 2018	76,000	5,559	(1,230,428)	(1,148,869)
Comprehensive income for the year				
Profit for the year	-	-	6,578,909	6,578,909
Transactions with owners				
Dividends	-	-	(5,184,125)	(5,184,125)
At 31 March 2019	76,000	5,559	164,356	245,915

The notes on pages 9 to 20 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

1. General information

Prohire Group Limited is a private company limited by shares and incorporated in the United Kingdom and registered in England and Wales. Its registered office is React House, Spedding Road, Fenton Industrial Estate, Stoke on Trent, Staffordshire, ST4 2ST.

The Company's principal activity is that of a holding company with an investment in a subsidiary.

The financial statements are presented in sterling (£).

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, except for investment property held at fair value, and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The company is itself a subsidiary company and is exempt from the requirement to prepare group financial statements by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

The financial statements are in compliance with Financial Reporting Standard 102 (FRS 102).

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

The accounting policies have been applied consistently, other than where new policies have been adopted. The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

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

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Project Georgia Topco Limited as at 31 March 2019 and these financial statements may be obtained from Project Georgia Topco Limited, React House, Spedding Road, Fenton Industrial Estate, Stoke on Trent, Staffordshire, ST4 2ST.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.3 Going concern

The company had net current liabilities at the year end of £19,160,657 (*2018: £19,735,660*) and net assets of £245,915 (*2018: net liabilities of* £1,148,869).

The company is dependent on its trading subsidiary, Prohire Limited, for funds which services its borrowings.

Prohire Limited, a direct subsidiary, has confirmed to the directors that its present intention is to provide financial support for at least 15 months from the date of these accounts to enable to Company to continue to meet its financial obligations.

Having operated the group in similar circumstances in previous years, the board of the group is content that the internal controls over liquidity cope sufficiently. The board considers that the group's ratio of net liabilities to net cash flows from operating activities to be comfortably managed for 18 months from the date of signature of these financial statements .

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for 18 months from the date of signature of these financial statements. Accordingly, the company continues to adopt the going concern basis in preparing the financial statements.

The outbreak of Covid-19 in the United Kingdom in 2020, subsequent to the end of the financial year, has brought about a period of economic uncertainty. We have reviewed potential exposures on our balance sheet such as the ability of our customers to make payments and potential sources of additional funding and are taking actions to reduce our sensitivity to the impact of this outbreak on our business. These actions include agreement of payments deferrals with HMRC and asset funders, furloughing of non-core employees and refocusing our sales force effort on areas of the market where there is high demand during the Covid-19 pandemic such as supermarket delivery and associated sectors. Notwithstanding our strong liquidity position and the operational and financial actions that we are taking, a deterioration in the situation would have adverse implications for our business and as such there is a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. Whilst the group has undertaken a number of sensitivity overlays such as reductions in operating revenues, changes in its cost base and customer cash receipts it is not practicable to quantify the potential financial impact of the outbreak on the Company at this point.

2.4 Investment property

Investment property is carried at fair value determined by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Comprehensive Income.

2.5 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2. Accounting policies (continued)

2.7 Financial instruments

The Company applies section 11 and 12 of FRS 102 in respect of recognition and measurement of financial instruments.

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties and loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method.

Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Income statement.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.8 Creditors

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

2.9 Other operating income

Intercompany management fees are presented within other operating income in the statement of comprehensive income. These are recognised an accruals basis.

2. Accounting policies (continued)

2.10 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.11 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

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

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

Investment property valuation
Management have to estimate the fair value of the investment property at each year end using their knowledge of the property market and seeking expert advice where appropriate.

Impairment of investments
Management reviews the carrying value of investments at each reporting date, based on the forecast cash flows of those investments.

4. Other operating income

	2019 £	2018 £
Net rents receivable	44,199	80,750

5. Employees

The Company has no employees (2018: no employees) other than the directors.

The directors did not receive any emoluments in respect of their services to the company (2018: £nil).

6. Interest payable and similar expenses

	2019 £	2018 £
Bank interest payable	67,154	93,121

7. Tax on profit / (loss)

	2019 £	2018 £
Corporation tax		
Adjustments in respect of previous periods	(2,560)	-
Total current tax	**(2,560)**	-
Deferred tax		
Origination and reversal of timing differences	-	(136)
Total deferred tax	-	(136)
Taxation on loss on ordinary activities	**(2,560)**	(136)

7. Tax on profit / (loss) (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than *(2018: higher than)* the standard rate of corporation tax in the UK of 19% *(2018:19%)*. The differences are explained below:

	2019 £	*2018* *£*
Profit / (loss) before tax	6,576,349	*(19,999)*
Profit / (loss) multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	1,249,506	*(3,800)*
Effects of:		
Income not taxable	(1,254,000)	-
Adjustments in respect of previous periods	(2,560)	-
Group relief	4,494	*3,800*
Deferred tax not recognised	-	*(136)*
Total tax credit for the year	(2,560)	*(136)*

Factors that may affect future tax charges

A reduction in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017 until 31 March 2020) was substantively enacted in October 2015 and received Royal Assent on 18 November 2015. A further reduction to 17% (effective from 1 April 2020) received Royal Assent on 15 September 2016.

These reductions may reduce the company's future current tax charge.

In the budget in March 2020, the Chancellor announced that the future reduction in the corporate tax rate from 19% to 17% would not be going ahead. This announcement does not constitute substantive enactment and therefore any deferred taxes at the balance sheet date continue to be measured at the enacted tax rate of 17%. However, it is possible that the corporation tax rate remains at 19% after 1 April 2020.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

8. Investment property

	Freehold investment property £
Valuation	
At 1 April 2018	500,275
At 31 March 2019	**500,275**

The company's investment property was valued by Louis Taylor Limited on 29 January 2016, using RICS guidelines based on market value. The directors believe that there has been no material change in the market value of the property since then.

9. Investments

	Investments in subsidiaries £
Cost	
At 1 April 2018	19,767,427
At 31 March 2019	19,767,427
Impairment	
At 1 April 2018	284,145
At 31 March 2019	284,145
Net book value	
At 31 March 2019	19,483,282
At 31 March 2018	*19,483,282*

Direct subsidiary undertakings

The following were subsidiary undertakings of the Company and all are incorporated in the United Kingdom:

Name	**Class of shares**	**Holding**	***Principal activity***
Prohire Limited (formerly Prohire Plc)	Ordinary	100 %	Contract hire of commercial vehicles
Sun Organisation Limited	Ordinary	100 %	Dormant
Midland Vehicle Contracts Limited	Ordinary	100 %	Dormant
Rentmaster Limited	Ordinary	100 %	Dormant
Proquo Limited	Ordinary	100 %	Dormant

9. Investments (continued)

Indirect Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
Sun Rent Limited	Ordinary	100 %	Dormant
Autocharter Limited	Ordinary	100 %	Dormant

All of the above subsidiary undertakings have a registered address of React House, Spedding Road, Fenton Industrial Estate, Stoke on Trent, Staffordshire, ST4 2ST, United Kingdom.

10. Debtors: amounts falling due within one year

	2019 £	*2018* £
Other debtors	-	*25,297*
	-	*25,297*

Included in other debtors is a directors' loan account consisting of an amount due from D Barlow, a director, amounting to £nil *(2018: £25,000)*.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

11. Creditors: Amounts falling due within one year

	2019 £	2018 £
Bank loans and overdrafts (note 13)	816,043	856,141
Amounts owed to group undertakings	18,344,614	18,901,902
Corporation tax	-	2,560
Accruals and deferred income	-	354
	19,160,657	19,760,957

A term loan of £3,100,000 was obtained from Barclays in December 2016. The loan is repayable in quarterly instalments of £193,750. Interest on the loan is payable at a base rate plus 3%

Interest on an additional bank loan taken out in the prior period is payable at a base rate plus 2.8% with repayments made in quarterly instalments.

All amounts due to group undertakings are interest free and repayable on demand.

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

	2019 £	2018 £
Bank loans and overdrafts	576,985	1,396,766

The bank loans and overdrafts are secured against assets of the group and the company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

13. Loans

Analysis of the maturity of loans is given below:

	2019 £	2018 £
Amounts falling due within one year		
Bank loans	**816,043**	*856,141*
Amounts falling due 1-2 years		
Bank loans	**576,985**	*815,857*
Amounts falling due 2-5 years		
Bank loans	-	*580,909*
	1,393,028	*2,252,907*

14. Financial instruments

	2019 £	2018 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	-	*25,297*
Financial liabilities		
Financial liabilities measured at amortised cost	**(19,737,642)**	*(21,154,809)*

Financial assets measured at amortised cost comprise amounts due from directors in respect of their directors loan accounts and other debtors.

Financial liabilities measured at amortised cost comprise bank loans, amounts owed to group undertakings, other creditors and accruals.

Maturity of financial liabilities	**2019 £**	2018 £
Amounts falling due within one year	**(19,160,657)**	(19,758,397)
Amounts falling due 1-2 years	**(576,985)**	(815,857)
Amounts falling due 2-5 years	-	(580,909)
Financial liabilities measured at amortised cost	**(19,737,642)**	*(21,155,163)*

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

15. Called up share capital

	2019	*2018*
	£	*£*
Authorised, allotted, called up and fully paid		
200,000 *(2018 - 200,000)* Ordinary A shares shares of £0.25 each	**50,000**	*50,000*
26,000 (2018 - 26,000) Ordinary B shares shares of £1.00 each	**26,000**	*26,000*
	76,000	*76,000*

Full dividend and voting rights are attached to both the A and B shares.

16. Reserves

Share premium account

Share premium includes the excess paid for share capital over and above the nominal value of the shares.

Profit and loss account

Profit and loss account contains all prior and current retained earnings.

17. Contingent liabilities

There is a cross guarantee and an unscheduled mortgage debenture relating to the bank loan held by Prohire Group Limited between all of the group companies; PGCH Limited, PG Consolidated Limited, Prohire Group Limited and Prohire Limited. At 31 March 2019 the outstanding balance on the loans was £1,393,028 (2018: £2,252,907).

18. Related party transactions

The company has taken advantage of the exemption, under Section 33 of FRS 102 Related Party Disclosures, not to disclose related party transactions with wholly owned subsidiaries within the group.

The directors' loan account consists of an amount due from D Barlow, a director, amounting to £nil (*2018: £25,000*). Amounts repaid during the year totalled £25,000 (*2018: £nil*). No interest was charged on the directors loan account. The maximum balance during the year was £25,000 (*2018: £25,000*).

19. Controlling party

Up until 23 April 2018 the company was controlled by Mr D Barlow, by virtue of his ownership of the majority of the issued share capital of the previous ultimate parent company, PGCH Limited.

Following an acquisition of the group on 23 April 2018, the ultimate parent undertaking is Project Georgia Topco Limited. The ultimate controlling party of Project Georgia Topco Limited is North Edge Capital LLP by virtue of majority shareholding.

The immediate parent undertaking is PG Consolidated Limited.

The parent undertaking of the smallest and largest group in which the company is consolidated is Project Georgia Topco Limited, a company incorporated in England. Copies of these consolidated financial statements may be obtained from Companies House.

20. Dividends

Dividends of £5,184,125 were paid to the Company's immediate parent, PG Consolidated Limited. No cash left the Group structure.

Dividends per share were as follows:

	2019
	£
Ordinary A shares	22.94
Ordinary B shares	22.94

21. Post balance sheet events

Please see note 2.3 for details of how the Company may be impacted by the outbreak of Covid-19 in the United Kingdom in 2020.