Registered number:
03835379

SUN ORGANISATION LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

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SUN ORGANISATION LIMITED

COMPANY INFORMATION

Directors	J L Edwards (appointed 12 July 2019) P D Hassall (appointed 11 January 2019) A P Morley (appointed 11 January 2019) J P Skelly (appointed 14 October 2019) D B Barlow (resigned 14 October 2019) P R Jacques (resigned 14 December 2018)
Registered number	03835379
Registered office	React House Spedding Road Fenton Industrial Estate Stoke-On-Trent Staffordshire ST4 2ST
Independent auditor	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors No 1 Spinningfields 1 Hardman Square Manchester M3 3EB United Kingdom

SUN ORGANISATION LIMITED

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SUN ORGANISATION LIMITED

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.

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

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

Principal activities
On 31 July 2018 the trade and business assets of the Company were transferred to Prohire Limited, its immediate parent. Following this transaction, the Company ceased to trade and is now dormant. The principal activities of the Company prior to the transaction were the sale and contract hire of commercial vehicles and the provision of fleet management.

Results, dividends, and future developments
The profit for the year, after taxation, amounted to £158,919 *(2018: £586,722).*

No dividends were declared or paid in either the year ended 31 March 2019 or 31 March 2018.

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.

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
The Company is non-trading with an expectation to remain so in the next 12 months.

Prohire Limited, the immediate parent entity, 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.

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 auditor

The directors confirm that:

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

Small Companies Note
The Directors' Report has been prepared and Strategic Report exemption taken in accordance with the special provisions of sections 415A and 414B of the Companies Act 2006 relating to small entities

DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2019

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 L Edwards
Director

3rd April 2020

Independent auditors' report to the members of Sun Organisation Limited

Report on the audit of the financial statements

Opinion

In our opinion, Sun Organisation 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 Annual 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 2.2 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 2.2 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 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 Sun Organisation Limited (continued)

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the 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 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.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. 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* *£*
Turnover	4	**2,328,527**	*6,945,625*
Cost of sales		**(1,800,976)**	*(5,304,180)*
Gross profit		**527,551**	*1,641,445*
Administrative expenses		**(164,679)**	*(516,540)*
Other operating income	5	**4,871**	*5,925*
Operating profit	6	**367,743**	*1,130,830*
Interest receivable and similar income	10	**2,681**	*484*
Interest payable and similar expenses	11	**(133,979)**	*(378,846)*
Profit before tax		**236,445**	*752,468*
Tax on profit	12	**(77,526)**	*(165,746)*
Profit for the financial year		**158,919**	*586,722*

All results are from discontinued operations.

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

The notes on pages 9 to 25 form part of these financial statements.

SUN ORGANISATION LIMITED
REGISTERED NUMBER:03835379

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019

	Note		2019 £		*2018 £*
Fixed assets					
Tangible assets	13		-		*12,427,637*
Investments	14		-		*3*
			-		*12,427,640*
Current assets					
Debtors: amounts falling due within one year	15	3,704,224		*4,874,975*	
Cash at bank and in hand	16	-		*19,097*	
		3,704,224		*4,894,072*	
Creditors: amounts falling due within one year	17	-		*(4,620,697)*	
Net current assets			3,704,224		*273,375*
Total assets less current liabilities			3,704,224		*12,701,015*
Creditors: amounts falling due after more than one year	18		-		*(9,098,654)*
Provisions for liabilities					
Deferred tax	21	-		*(57,056)*	
			-		*(57,056)*
Net assets			3,704,224		*3,545,305*
Capital and reserves					
Called up share capital	22		50,000		*50,000*
Profit and loss account	23		3,654,224		*3,495,305*
Total equity			3,704,224		*3,545,305*

The financial statements on pages 6 to 25 were approved and authorised for issue by the board and were signed on its behalf by:

J L Edwards

J L Edwards
Director

3-2 April 2020

The notes on pages 9 to 25 form part of these financial statements.

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

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2017	**50,000**	**2,908,583**	**2,958,583**
Comprehensive income for the year			
Profit for the year	-	586,722	586,722
Total comprehensive income for the year	**-**	**586,722**	**586,722**
At 31 March 2018	**50,000**	**3,495,305**	**3,545,305**
Comprehensive income for the year			
Profit for the year	-	158,919	158,919
Total comprehensive income for the year	**-**	**158,919**	**158,919**
At 31 March 2019	**50,000**	**3,654,224**	**3,704,224**

The notes on pages 9 to 25 form part of these financial statements.

1. General information

Sun Organisation Limited is a private company limited by shares incorporated in the United Kingdom and registered in England and Wales. The registered office address is React House Spedding Road, Fenton Industrial Estate, Stoke-On-Trent, Staffordshire, ST4 2ST. The Company's principal activities are the sale and contract hire of commercial vehicles and the provision of fleet management services.

On 31 July 2018 the trade and business assets were all transferred to the Company's immediate parent undertaking, Prohire Limited and the Company no longer trades.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006. These financial statements have been prepared on a going concern basis.

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

The following principal accounting policies have been applied:

2.2 Going concern

The Company is non-trading with an expectation to remain so in the next 12 months. The Directors continue to adopt the going concern basis in preparing the financial statements.

Prohire Limited, the immediate parent entity, 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.

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. Accounting policies (continued)

2.3 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.

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services
Revenue from contract hire and maintenance contracts is recognised on a straight line basis over the contractual term.

2.5 Other operating income

Other income represents commissions receivable from vehicle suppliers and is recognised in the statement of comprehensive income on a systematic basis over the life of the vehicle.

2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

Depreciation is provided on the following basis:

Long-term leasehold property	- 2% straight line on original cost, 20% straight line on improvements
Vehicles for hire	- See below
Fixtures and fittings	- 33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

Fleet vehicles under contract hire are depreciated over the contract period which varies, according to the type of vehicle, between three and five years, after allowing for their residual values at the end of the hire period.

2. Accounting policies (continued)

2.6 Tangible fixed assets (continued)

Other vehicles are depreciated between three and five years after allowing for their estimated residual values.

Vehicles whose finance lease or hire purchase liabilities have been settled in full are depreciated in accordance with the directors' best estimate of their useful economic lives, after allowing for their estimated residual values.

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.8 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.

2.9 Cash and cash equivalents

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

2.10 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 debtors and creditors, 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 debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the 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 Statement of comprehensive income.

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.

2. Accounting policies (continued)

2.10 Financial instruments (continued)

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

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

2.11 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.

2.12 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.13 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 1 April 2016 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.14 Leased assets: the Company as lessee

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

2. Accounting policies (continued)

2.15 Pensions

Defined contribution pension plan

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

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

2.16 Interest receivable and similar income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

2.17 Interest payable and similar expenses

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.

2.18 Maintenance provisions

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of comprehensive income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position, which is included as part of accruals.

2. Accounting policies (continued)

2.19 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 in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies. No material judgements were made in applying accounting policies and no material estimation uncertainties exist for the year under review.

4. Turnover

The whole of the turnover is attributable to the company's principal activity.

Analysis of turnover by country of destination:

	2019 £	*2018 £*
United Kingdom	2,328,527	*6,945,625*

5. Other operating income

	2019 £	*2018 £*
Commissions receivable	4,871	*5,925*
	4,871	*5,925*

6. Operating profit

The operating profit is stated after charging/(crediting):

	2019 £	*2018 £*
Depreciation of owned tangible fixed assets	6,221	*18,886*
Depreciation of leased tangible fixed assets	1,088,485	*3,273,391*
Profit on disposal of fixed assets	(24,092)	*(166,790)*

7. Auditors' remuneration

	2019 £	*2018 £*
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	-	*13,000*

The fees payable to the company's auditor for the audit of the financial statements were borne by Prohire Limited.

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

8. Employees

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

	2019 £	2018 £
Wages and salaries	103,964	376,783
Social security costs	10,524	35,455
Other pension costs	1,309	3,006
	115,797	415,244

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

	2019 No.	2018 No.
Direct staff	2	8
Management staff	1	3
	3	11

9. Directors' remuneration

	2019 £	2018 £
Directors' emoluments	-	-

10. Interest receivable and similar income

	2019 £	2018 £
Other interest receivable	2,681	484

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

11. Interest payable and similar expenses

	2019 £	*2018 £*
Finance leases and hire purchase contracts	**133,979**	*378,846*
	133,979	*378,846*

12. Tax on profit

	2019 £	*2018 £*
Corporation tax		
Current tax on profits for the year	109,333	*189,236*
Adjustments in respect of previous periods	25,535	*(365)*
Total current tax	**134,868**	*188,871*
Deferred tax		
Origination and reversal of timing differences	**(63,884)**	*(40,745)*
Changes to tax rates	**6,724**	*-*
Adjustments in respect of previous periods	**(182)**	*17,620*
Total deferred tax	**(57,342)**	*(23,125)*
Taxation on profit on ordinary activities	**77,526**	*165,746*

12. Tax on profit

Factors affecting tax charge for the year

The tax assessed for the year is higher 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 before tax	**236,445**	*752,468*
Profit before tax multiplied by standard rate of corporation tax in the UK of 19% (2018: 19%)	44,925	*142,969*
Effects of:		
Expenses not deductible for tax purposes	524	*728*
Adjustments in respect of previous periods	25,353	*17,255*
Adjustments to tax rates	6,724	*4,794*
Total tax charge for the year	**77,526**	*165,746*

Factors that may affect future tax charges

A reduction in the UK corporation tax rate from 20% to 19% (effective from 1 April 2018 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**

13. Tangible assets

	Long-term leasehold property £	Vehicles for hire £	Fixtures and fittings £	Total £
Cost				
At 1 April 2018	**183,497**	**21,092,630**	**200,932**	**21,477,059**
Additions	-	446,736	476	447,212
Disposals	-	(1,419,021)	-	(1,419,021)
Hived up to parent	(183,497)	(20,120,345)	(201,408)	(20,505,250)
At 31 March 2019	-	-	-	-
Accumulated Depreciation				
At 1 April 2018	**63,001**	**8,800,975**	**185,446**	**9,049,422**
Charge for the year on owned assets	1,181	1,088,485	5,040	1,094,706
Disposals	-	(1,084,333)	-	(1,084,333)
Hived up to parent	(64,182)	(8,805,127)	(190,486)	(9,059,795)
At 31 March 2019	-	-	-	-
Net book value				
At 31 March 2019	-	-	-	-
At 31 March 2018	*120,496*	*12,291,655*	*15,486*	*12,427,637*

The net book value of tangible fixed assets includes motor vehicles held under finance lease or hire purchase contracts of £nil *(2018: £12,262,385)*. The depreciation charge in respect of these assets amounted to £1,088,485 *(2018: £3,169,966)* for the year.

14. Investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2018	3
Transferred during hive up	(3)
At 31 March 2019	-
Net book value	
At 31 March 2019	-
At 31 March 2018	*3*

Subsidiary undertakings

The following were subsidiary undertakings of the Company up until the date of hive up:

Name	Class of shares	Holding	Principal activity	Address
Sun Rent Limited	Ordinary	100%	Dormant	React House, Spedding Road, Fenton Industrial Estate, Stoke-On-Trent, ST4 2ST
Autocharter Limited	Ordinary	100%	Dormant	React House, Spedding Road, Fenton Industrial Estate, Stoke-On-Trent, ST4 2ST

15. Debtors

	2019 £	*Restated* *2018* *£*
Trade debtors	-	*613,843*
Amounts owed by group undertakings	**3,704,224**	*4,184,136*
Other debtors	-	*17,563*
Prepayments and accrued income	-	*59,433*
	3,704,224	*4,874,975*

An impairment charge of £nil *(2018: release of £58,057)* was recognised against trade debtors.

Amounts owed to group undertakings are repayable on demand and as such bear no interest.

Prepayments and accrued income of £875,000 in the prior year have been restated to amounts owed by group undertakings.

16. Cash at bank and in hand

	2019 £	*2018* *£*
Cash at bank and in hand	-	*19,097*

17. Creditors: Amounts falling due within one year

	2019 £	*2018* *£*
Trade creditors	-	*375,147*
Corporation tax	-	*189,254*
Other taxation and social security	-	*34,900*
Obligations under finance lease and hire purchase contracts	-	*3,749,857*
Accruals and deferred income	-	*271,539*
	-	*4,620,697*

Net obligations under finance leases and hire purchase contracts are secured both on the fleet vehicles on which finance has been provided and the rental income derived from the sub-hire agreements.

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

	2019 £	2018 £
Net obligations under finance leases and hire purchase contracts	-	8,631,134
Accruals and deferred income	-	467,520
	-	9,098,654

19. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2019 £	2018 £
Within one year	-	3,749,857
Between 2-5 years	-	8,206,235
Over 5 years	-	424,899
	-	12,380,991

20. Financial instruments

	2019 £	2018 £
Financial assets		
Cash and cash equivalents	-	19,097
Financial assets measured at amortised cost	**3,704,224**	3,940,542
	3,704,224	3,959,639
Financial liabilities		
Financial liabilities measured at amortised cost	-	(12,785,727)
	-	(12,785,727)

Financial assets measured at amortised cost comprise trade debtors, amounts owed by group and other debtors.

Financial liabilities measured at amortised cost comprise bank overdrafts, trade creditors, obligations under finance lease and hire purchase contracts, other creditors and accruals.

Maturity of financial liabilities	2019 £	2018 £
Amounts falling due within one year	-	(4,154,593)
Amounts falling due 2-5 years	-	(8,206,235)
Amounts falling due in more than 5 years	-	(424,899)
Financial liabilities measured at amortised cost	-	(12,785,727)

21. Deferred tax

	2019 £
At beginning of year	**(57,056)**
Credited to profit and loss	57,342
Movement arising from the transfer of trade	(286)
At end of year	**-**

The provision for deferred taxation is made up as follows:

	2019 £	*2018 £*
Accelerated capital allowances	-	*(74,011)*
Short term timing differences	-	*16,955*
	-	*(57,056)*

22. Called up share capital

	2019 £	*2018 £*
Allotted, called up and fully paid		
500,000 (2018: 500,000) - Ordinary shares of £0.10 each	**50,000**	*50,000*

23. Reserves

Profit and loss account

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

24. Pension commitments

The company operates a defined contribution scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost represents contributions payable by the company to the fund and totalled £1,309 *(2018: £3,006)*. There were no outstanding contributions at the year end *(2018: £nil)*.

25. 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 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.

26. Transfer of trade and assets

With effect from 31 July 2018 the trade and business assets of the Company were transferred to the Company's immediate parent Prohire Limited at book value to be settled on intercompany account. The assets and liabilities transferred are set out below:

	Book and fair value £
Fixed assets	
Tangible	11,445,455
Current assets	
Cash	161,393
Debtors	1,469,757
Total assets	13,076,605
Creditors	
Due within one year	(12,688,903)
Net assets transferred on intercompany account	387,702

27. Post balance sheet events

Please see note 2.2 for details of how the Company may be impacted by the outbreak of Covid-19 in the United Kingdom in 2020.