Company registration number: 04322682

Tuxford Exports Limited

Financial statements

31 December 2017

Tuxford Exports Limited

Contents

Tuxford Exports Limited

Directors and other information

Director	R C Tuxford
Secretary	R Whitehead
Company number	04322682
Registered office	Old Colliery Site Hollinwood Lane Calverton Nottingham NG14 6NR
Auditor	Brooks Mayfield Limited 12 Bridgford Road West Bridgford Nottingham NG2 6AB

Bankers	HSBC Bnak Plc 26 Clumber Street Nottingham Nottinghamshire NG1 3GA
	National Westminster Bank Plc Leicester Customer Service Centre 11 Western Boulevard, Bede Island Leicester England E2 7EJ

Tuxford Exports Limited

Strategic report

Year ended 31 December 2017

Business Review

Tuxford Exports Limited continues to trade in second hand commercial vehicles and associated parts.

The markets the company operates in continue to experience a difficult and uncertain trading environment due to both political instability, poor liquidity and oversupply. Additionally, the market shocks resulting from the continued uncertainty over UK BREXIT and the USA China political relationship has affected worldwide investment decisions, decisions which directly impact the company and its customers.

Against this difficult back drop the financial performance during 2017 is deemed adequate by the director. Whilst the significant increase in turnover was negated by a significantly reduced gross margin, the results were nevertheless ahead of expectations.

Additionally, the director continues to pursue innovative solutions to the pressures the entire market is facing. Whilst the sluggish demand and oversupply has affected margins it has also presented opportunities which, together with the company's excellent reputation, has resulted in successful trading whilst many of its competitors are faltering.

No dividend is proposed.

Principal Risks and Uncertaincies

The director and his advisors are continually assessing the main risks facing the company. There are no formal risk management policies in place, but risks are reviewed regularly by the director. The director considers the following to be the main risks the company is exposed to;

" Liquidity Risk - Due to the high stock holding levels and the amounts owed to the company by its customers, liquidity levels remain the company's top priority. The company engages external professionals to assist with managing this risk.

" Credit Risk - Risk primarily arises from credit exposure to customers. Various controls and regular procedures are operating to limit such risk, including setting tailored terms for each customer. A provision is made for any amounts where recoverability is considered doubtful.

" Political Risk - The major risk completely outside of the company's control is the political environment, in particular how policy or even comments can have an immediate impact on the market place. By its very nature this type of risk is difficult to mitigate, although the company tries to diversify its activities and customer base as much as possible.

" Foreign Currency Risk - Due to the high level of overseas customers the company remains exposed to exchange rate risk, although the present weak pound works in favour of the company as it is a net exporter.

The company remains exposed to any increases in interest rates.

The director continues to give his financial support to the company by providing interest free loans.

Financial analysis
The key performance indicators considered by the director in providing this report are as follows:
2017 2016
Increase / (Decrease) in sales 12.50% 10.66%
Profit for the year £199,297 £248,207
Gross profit margin 21% 24%
Non financial performance
Despite the difficult market conditions, the reputation and expertise of the director and the company continues to be held in very high regard by all the industry's major stakeholder's, in particular its supply chain. As such, the company is at the forefront of any development or opportunities in the industry. The director considers this to be a key competitive advantage of the business.
The final quarter of 2017 and the start of 2018 has seen a steadily increasing number of customer enquiries, both via visitors to the head office and from overseas customers.
Development and performance
As mentioned above the industry continues to operate in difficult market conditions with selling prices reflecting oversupply.
Against this backdrop the director is pleased with the recorded performance this year. Whilst profit has fallen slightly this was mainly due to a significant and rapid increase in shipping and freight costs, a market condition which has now reversed. Turnover recorded a healthy increase, a trend which appears to be continuing into 2018. The net profit for the year of £199,297 was certainly a significant improvement over the expected position.
That said, the director is aware that one of the biggest challenges affecting the company will remain cashflow and working capital management. To this end the company have focusing attention in this area, including a more careful and selective process to stock purchasing but also have increased resources invested in debtor's management and collection.
At the year-end the business holds stock of £4.13m (2016: £5.22m) and trade debtors total £3.82m (2016: £2.09m). The director is targeting reductions in figures over the next 12 months.
The company continues to improve and refine its e-commerce sales channels.
This report was approved by the board of directors on 24 September 2018 and signed on behalf of the board by:
R C Tuxford
Director

Tuxford Exports Limited

Director's report

Year ended 31 December 2017

The director presents his report and the financial statements of the company for the year ended 31 December 2017.

Director

The director who served the company during the year was as follows:

R C Tuxford

Dividends

The director does not recommends the payment of a dividend.

Future developments

The director expects the market conditions to remain difficult for at least the next 2 to 3 years and as such will tailor the business activities accordingly.

The director believes the market place will continue to migrate to digital business practices and as such the company will continue to develop their IT systems and website so that Tuxford Exports Limited is market leader in this aspect of industry.

The company will also continue to focus on the areas of the industry which derives the best value; whilst also exploring new opportunities as they present themselves.

Cash flow and careful working capital management will continue to be crucial to the business over the next 12 months.

Financial instruments

The company has no interest rate or exchange rate financial instruments (2016: none).

Overseas branches

The company operates from its base in Calverton, Nottinghamshire, however does mainly trade in Africa and Asia.

Disclosure of information in the strategic report.

The company has chosen in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out in the company's strategic report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

Director's responsibilities statement

The director is responsible for preparing the strategic report, director's report and the financial statements in accordance with applicable law and regulations.
Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.
In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 director is 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 him to ensure that the financial statements comply with the Companies Act 2006. They 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.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:
- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and - they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.
The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.
This report was approved by the board of directors on 24 September 2018 and signed on behalf of the board by:
R C Tuxford
Director

Tuxford Exports Limited

Independent auditor's report to the member of

Tuxford Exports Limited

Year ended 31 December 2017

Opinion

We have audited the financial statements of Tuxford Exports Limited for the year ended 31 December 2017 which comprise the statement of income and retained earnings, statement of financial position, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice). This report is made solely to the company's member, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's member those matters we are required to state to him in an auditors report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's member as a body, for our audit work, for this report, or for the opinions we have formed. In our opinion the financial statements: - give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended; - have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and - have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other Information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The director is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the director's report. We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion: - adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or - the financial statements are not in agreement with the accounting records and the returns; or - certain disclosures of director's remuneration specified by law are not made; or - we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the director's responsibilities statement, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. we also: - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control. - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the director. - Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern. - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

William Oates BA FCA (Senior Statutory Auditor)
For and on behalf of
Brooks Mayfield Limited
Chartered Accountants and Statutory Auditors
12 Bridgford Road
West Bridgford
Nottingham
NG2 6AB
24 September 2018

Tuxford Exports Limited
Statement of income and retained earnings
Year ended 31 December 2017

	Note	2017 £	2016 £
Turnover	4	10,500,602	9,333,928
Cost of sales		(8,351,350)	(7,083,811)
Gross profit		2,149,252	2,250,117
Administrative expenses		(1,837,020)	(1,874,589)
Other operating income	5	28,394	1,484
Operating profit	6	340,626	377,012
Other interest receivable and similar income	9	469	-
Interest payable and similar expenses	10	(141,798)	(128,805)
Profit before taxation		199,297	248,207
Tax on profit	11	(96,469)	(115,710)
Profit for the financial year and total comprehensive income		102,828	132,497
Retained earnings at the start of the year (as previously reported)		2,790,247	2,296,701
Prior period adjustments		(361,049)	(-)
Retained earnings at the start of the year (restated)		2,429,198	2,296,701
Retained earnings at the end of the year		2,532,026	2,429,198

All the activities of the company are from continuing operations.

Tuxford Exports Limited

Statement of financial position

31 December 2017

	Note	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	**12**	1,300,143		1,705,421	
Investments	**13**	3,333		3,333	
			1,303,476		1,708,754
Current assets					
Stocks	**14**	4,127,712		5,228,529	
Debtors	**15**	4,975,619		3,539,365	
Investments	**16**	19,677		19,677	
Cash at bank and in hand		284,640		271,433	
		9,407,648		9,059,004	
Creditors: amounts falling due within one year	**18**	(4,332,852)		(6,947,287)	
Net current assets			5,074,796		2,111,717
Total assets less current liabilities			6,378,272		3,820,471
Creditors: amounts falling due after more than one year	**19**		(3,244,628)		(771,406)
Provisions for liabilities	**21**		(101,618)		(119,867)
Net assets			3,032,026		2,929,198
Capital and reserves					
Called up share capital	**26**		500,000		500,000
Profit and loss account	**27**		2,532,026		2,429,198
Shareholder funds			3,032,026		2,929,198

These financial statements were approved by the board of directors and authorised for issue on 24 September 2018 , and are signed on behalf of the board by:

R C Tuxford

Director

Company registration number: 04322682

Tuxford Exports Limited

Statement of cash flows

Year ended 31 December 2017

	Note	**2017**	2016
		£	£
Cash flows from operating activities			
Profit for the financial year		102,828	132,497
Adjustments for:			
Depreciation of tangible assets		524,915	428,723
Other interest receivable and similar income		(469)	-
Interest payable and similar expenses		141,798	128,805
Gain/(loss) on disposal of tangible assets		-	(4,938)
Tax on profit		96,469	115,710
Accrued expenses/(income)		56,005	12,648
Changes in:			
Stocks		1,100,817	105,673
Trade and other debtors		(1,401,976)	(168,748)
Trade and other creditors		(797,623)	187,873
Cash generated from operations		(177,236)	938,243
Interest paid		(141,798)	(128,805)
Interest received		469	-
Tax paid		(368,469)	(148,562)
Net cash (used in)/from operating activities		(687,034)	660,876
Cash flows from investing activities			
Purchase of tangible assets		(9,216)	(104,473)
Proceeds from sale of tangible assets		-	32,500
Net cash used in investing activities		(9,216)	(71,973)
Cash flows from financing activities			
Proceeds from borrowings		3,000,000	-
Repayments of borrowings		(905,426)	(961,936)
Proceeds from loans from participating interests		-	11,286
Repayments of loans from participating interests		(11,286)	-
Payment of finance lease liabilities		(177,913)	(143,610)
Finance lease proceeds from refinancing of fixed assets		316,533	-
Net cash from/(used in) financing activities		2,221,908	(1,094,260)
Net increase/(decrease) in cash and cash equivalents		1,525,658	(505,357)
Cash and cash equivalents at beginning of year	**17**	(2,200,221)	(1,694,864)
Cash and cash equivalents at end of year	**17**	(674,563)	(2,200,221)

Tuxford Exports Limited

Notes to the financial statements

Year ended 31 December 2017

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Old Colliery Site, Hollinwood Lane, Calverton, Nottingham, NG14 6NR.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis.The financial statements are prepared in sterling, which is the functional currency of the entity.

Judgements and key sources of estimation uncertainty

The directors make estimates and assumptions concerning the future, they are also required to exercise judgement in the process of applying the company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below. In preparing these financial statements, the directors have made the following judgements: Determine whether leases entered into by the company are operating or finance leases These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis based on an evaluation of the terms and conditions of the arrangements.

Impairment of non-current assets The company assesses the impairment of property, plant, and equipment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors considered important that could trigger an impairment review include the following: 1) Significant underperformance relative to historical or projected future operating results; 2) Significant changes in the use of the acquired assets or the business strategy, and 3) Significant negative industry or economic trends.

The following are the company's key sources of estimation uncertainty:

Depreciation and residual values The directors have reviewed the asset lives and associated residual values of all fixed asset classes and have concluded that asset lives and residual values are appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projects disposal values.

Carrying value of stocks Management review the market value of and demand for the company's stocks on a periodic basis to ensure stock is recorded in the financial statements at the lower of cost and net realisable value. Any provision for impairment is recorded against the carrying value of stocks. Management use their knowledge of market conditions, historical experiences and estimates of future events to assess future demand for the company's products and achievable selling prices.

Recoverability of trade debtors Trade and other receivables are recognised to the extent that they are judged recoverable. Management reviews are performed to estimate the level of reserves required for irrecoverable debt. Provisions are made specifically against invoices where recoverability is uncertain. Management makes allowance for doubtful debts based on an assessment of the recoverability of debtors. Allowances are applied to debtors where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Management specifically analyse historical bad debts, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of the provision for doubtful debts. Where the expectation is different from the original estimate, such difference will impact the carrying value of debtors and the charge in the profit and loss account.

Provisions A provision is recognised when the company has a present legal or constructive obligation as a result of a past event for which it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. The nature and type of risks for these provisions differ and management's judgement is applied regarding the nature and extent of obligations in deciding if an outflow of resources is probable or not.

Turnover

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied, stated net of discounts and of Value Added Tax.Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer, usually on despatch of the goods, the amount of revenue can be measured reliably, it is probable that the associated economic benefits will flow to the entity, and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in capital and reserves. In this case, tax is recognised in other comprehensive income or directly in capital and reserves, respectively. Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to profit or loss.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Tangible assets

Tangible assets are initially recorded at cost, and is subsequently stated at cost less any accumulated depreciation and any accumulated impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Short leasehold property	-	Straight line over life of the lease
Plant and machinery	-	15 % reducing balance
Fittings fixtures and equipment	-	15 % reducing balance
Motor vehicles	-	25 % reducing balance

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of tangible assets, the depreciation is revised prospectively to reflect the new estimates.

Fixed asset investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses. Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

Impairment

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stocks to their present location and condition.Costs are calculated on a first in, first out basis. Trucks over one year old are provided for so that they are valued at break up value.

Hire purchase and finance leases

Assets held under finance leases are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset. Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event; it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense. Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised in finance costs in profit or loss in the period it arises.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument. Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.Debt instruments are subsequently measured at amortised cost.Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets or either assessed individually or grouped on the basis of similar credit risk characteristics.Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund. When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised in finance costs in profit or loss in the period in which it arises.

4. Turnover

Turnover arises from:

	2017	2016
	£	£
Sale of goods	10,468,402	9,333,928
Commissions	32,200	-
	10,500,602	9,333,928

The turnover is derived from classes of business and geographical markets that substantially differ from each other. An analysis of each is given below:

Geographical markets

	2017	2016
	£	£
UK	944,172	945,920
Europe	779,854	979,267
Rest of the World	8,776,576	7,408,741
	10,500,602	9,333,928

Business classes

	2017	2016
	£	£
Trucks	5,681,073	52,454,665
Used parts	3,844,615	3,549,956
New parts	172,465	108,168
Scrap	270,331	101,923
Freight	499,918	328,216
Commissions	32,200	-
	10,500,602	56,542,928

5. Other operating income

	2017	2016
	£	£
Rental income	28,394	1,484

6. Operating profit

Operating profit is stated after charging/(crediting):

	2017	2016
	£	£
Depreciation of tangible assets	524,915	428,723
(Gain)/loss on disposal of tangible assets	-	(4,938)
Cost of stocks recognised as an expense	6,672,297	6,031,285
Impairment of trade debtors	124,657	316,394
Operating lease rentals	190,477	187,900
Foreign exchange differences	(73,672)	(49,884)
Fees payable for the audit of the financial statements	13,750	13,000

7. Staff costs

The average number of persons employed by the company during the year, including the director, amounted to:

	2017	2016
Administration	8	8
Yard	17	16
	25	24

The aggregate payroll costs incurred during the year were:

	2017	2016
	£	£
Wages and salaries	759,786	600,636
Social security costs	61,613	50,278
Other pension costs	20,478	43,878
	841,877	694,792

8. Directors remuneration

The director's aggregate remuneration in respect of qualifying services was:

	2017	2016
	£	£
Remuneration	56,050	7,208
Company contributions to pension schemes in respect of qualifying services	13,593	40,000
	69,643	47,208

The number of directors who accrued benefits under company pension plans was as follows:

	2017	2016
	Number	Number
Defined contribution plans	1	1

9. Other interest receivable and similar income

	2017	2016
	£	£
Other interest receivable and similar income	469	-

10. Interest payable and similar expenses

		2017	2016
		£	£
Bank loans and overdrafts		94,638	116,161
Other loans made to the company:			
	Finance leases and hire purchase contracts	44,160	9,390
Other interest payable and similar expenses		3,000	3,254
		141,798	128,805

11. Tax on profit

Major components of tax expense

	2017	2016
	£	£
Current tax:		
UK current tax expense	124,178	102,421
Adjustments in respect of previous periods	(9,460)	2,031
Total current tax	114,718	104,452
Deferred tax:		
Origination and reversal of timing differences	(12,256)	11,258
Impact of change in tax rate	(5,993)	-
Total deferred tax	(18,249)	11,258
Tax on profit	96,469	115,710

Reconciliation of tax expense

The tax assessed on the profit for the year is higher than (2016: higher than) the standard rate of corporation tax in the UK of 19.00 % (2016: 20.00%).

	2017	2016
	£	£
Profit before taxation	199,297	248,207
Profit multiplied by rate of tax	37,866	49,641
Adjustments in respect of prior periods	(9,460)	2,031
Effect of expenses not deductible for tax purposes	8,213	11,955
Effect of capital allowances and depreciation	64,891	52,432
Change in tax rate	(4,401)	-
Losses of connected companies utilised	(640)	(349)
Tax on profit	96,469	115,710

The tax rate was reduced by legislation from 20% to 19% from 1 April 2017.

Factors affecting future tax expense

Legislation changes have been announced which will eventually reduce the main rate of corporation tax to 17%, thus reducing the overall tax charge of future years. This change will be effective from 1 April 2020.

12. Tangible assets

	Long leasehold property	Plant and machinery	Fixtures, fittings and equipment	Motor vehicles	**Total**
	£	£	£	£	**£**
Cost					
At 1 January 2017	3,168,996	1,160,055	148,009	359,295	4,836,355
Additions	-	8,500	716	110,421	119,637
At 31 December 2017	3,168,996	1,168,555	148,725	469,716	4,955,992
Depreciation					
At 1 January 2017	2,217,788	695,695	82,513	134,938	3,130,934
Charge for the year	367,791	69,656	9,911	77,557	524,915
At 31 December 2017	2,585,579	765,351	92,424	212,495	3,655,849
Carrying amount					
At 31 December 2017	583,417	403,204	56,301	257,221	1,300,143
At 31 December 2016	951,208	464,360	65,496	224,357	1,705,421

Obligations under finance leases

Included within the carrying value of tangible assets are the following amounts relating to assets held under finance leases or hire purchase agreements:

	Plant and machinery	Fixtures, fittings and equipment	Motor vehicles
	£	**£**	**£**
At 31 December 2017	171,283	16,175	114,794
At 31 December 2016	235,167	-	123,451

13. Investments

	Participating interests	Total
	£	£
Cost		
At 1 January 2017 and 31 December 2017	253,333	253,333
Impairment		
At 1 January 2017 and 31 December 2017	250,000	250,000
Carrying amount		
At 31 December 2017	3,333	3,333
At 31 December 2016	3,333	3,333

Investments in group undertakings

	Registered office	Class of share	Percentage of shares held
Participating interest			
Nottingham Bulwell Stone Limited	Hollingwood Lane, Calverton, nottinghamshire, NG14 6NR	Ordinary £1	33
Carlton Road Development Limited	71, Colwick Quays Business Park, Colwick, Nottingham, England, NG4 2JY	Ordinary £1	33
RC Tuxford Exports Africa (Pty) Limited	323 Lynnwood Road, Menlo Park, Pretoria, 0081. South Africa.	Ordinary 1 Rand	40

At the year end RC Tuxford Exports Africa (Pty)Limited was non trading during the year.

The results and capital and reserves for the period of the trading companies are as follows:

	Capital and reserves		Profit/(loss) for the period	
	2017	2016	**2017**	2016
	£	£	**£**	£
Participating interest				
Nottingham Bulwell Stone Limited	(708,657)	(695,737)	(12,921)	(21,615)
Carlton Road Development Limited	(-)	(154,285)	(-)	(50,881)
RC Tuxford Exports Africa (Pty) Limited	(-)	(-)	(-)	(-)

At the time these accounts were signed off the 2017 results for the Carlton Road Developments Limited had not been completed.

14. Stocks

	2017	2016
	£	£
Finished goods	4,127,712	5,228,529

An impairment loss of £101,408 (2016: £163,852) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

15. Debtors

	2017	2016
	£	£
Trade debtors	3,816,183	2,092,010
Prepayments and accrued income	38,091	-
Other debtors	1,121,345	1,447,355
	4,975,619	3,539,365

Trade debtors written off in the year and included within administrative expenses in the profit and loss account in relation to bad debts amounted to £124,657 (2016: £316,394).

16. Investments

	2017	2016
	£	£
Other investments	19,677	19,677

The market value of the listed investments at 31 December 2017 was £24,664 (2016: £14,932).

17. Cash and cash equivalents

	2017	2016
	£	£
Cash at bank and in hand	284,640	271,433
Bank overdrafts	(959,203)	(2,471,654)
	(674,563)	(2,200,221)

18. Creditors: amounts falling due within one year

	2017	2016
	£	£
Bank loans and overdrafts	1,004,165	2,678,187
Trade creditors	2,272,010	3,123,604
Amounts owed to undertakings in which the company has a participating interest	-	11,286
Accruals and deferred income	81,153	25,148
Corporation tax	-	219,473
Social security and other taxes	36,265	36,047
Obligations under finance leases	152,286	120,322
Director loan accounts	-	27,740
Other creditors	786,973	705,480
	4,332,852	6,947,287

Bank loan - terms of repayment are over the next 120 months and interest is payable at 2.05% per annum over the Bank of England Base Rate.

Bank loans and overdrafts totalling £1,004,165 (2016: £2,678,187) are secured by: Mortgage charge with National Westminster Bank Plc dated 6 September 2017. It contains a fixed charge, a floating charge over all the property and undertakings of the company and a negative pledge.

19. Creditors: amounts falling due after more than one year

	2017	2016
	£	£
Bank loans and overdrafts	2,955,038	698,893
Obligations under finance leases	289,590	72,513
	3,244,628	771,406

Bank loan - terms of repayment are over the next 120 months and interest is payable at 2.05% per annum over the Bank of England Base Rate.

Bank loans and overdrafts totalling £2,955,038 (2016: £698,893) are secured by: Mortgage charge with National Westminster Bank Plc dated 6 September 2017. It contains a fixed charge, a floating charge over all the property and undertakings of the company and a negative pledge.

20. Obligations under finance leases

Company lessee

The total future minimum lease payments under finance lease agreements are as follows:

	2017	2016
	£	£
Not later than 1 year	152,286	120,322
Later than 1 year and not later than 5 years	289,590	72,513
	441,876	192,835
Present value of minimum lease payments	441,876	192,835

The hire purchases relate primarily to the purchase of motor vehicles. All hire purchase creditors are secured on the assets which they relate to.

21. Provisions

	Deferred tax (note 22)	**Total**
	£	**£**
At 1 January 2017	119,867	119,867
Charges against provisions	(12,256)	(12,256)
Change in rate of tax	(5,993)	(5,993)
At 31 December 2017	101,618	101,618

22. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2017	2016
	£	£
Included in provisions (note 21)	101,618	119,867

The deferred tax account consists of the tax effect of timing differences in respect of:

	2017	2016
	£	£
Accelerated capital allowances	101,618	119,867

23. Employee benefits

The amount recognised in profit or loss in relation to defined contribution plans was £ 20,478 (2016: £ 43,878).

24. Financial instruments

The carrying amount for each category of financial instrument is as follows:

	2017	2016
	£	£
Financial assets measured at fair value through profit or loss		
Listed investments	19,677	19,677
Financial assets that are debt instruments measured at amortised cost		
Trade debtors	3,816,183	2,092,010
Other debtors	1,086,753	1,325,220
Cash at bank and in hand	284,640	271,433
	5,187,576	3,688,663
Financial liabilities measured at amortised cost		
Bank and other loans	4,746,176	4,082,560
Trade creditors	2,272,010	3,123,604
Other creditors	441,876	231,861
	7,460,062	7,438,025

The company has no interest rate or exchange rate financial instruments (2016: none).

25. Prior period errors

During the year errors came to light in the 2014 accounts, these reduced reserves by £361,049as follows:

£

At beginning of year as previously stateted 2,790,247

Prior year adjustment - loan creditor included as income (361,049)

At beginning of year as restated 2,429,198

Profit for the year 102,828

At end of year 2,532,026

In the 2014 accounts a loan receipt was included in the accounts as an income receipt. This has been corrected as a prior year adjustment resulting in an increase in loan creditor and decrease in reserves

26. Called up share capital

Issued, called up and fully paid

	2017		2016	
	No	**£**	No	£
Ordinary shares of £ 1.00 each	500,000	500,000	500,000	500,000

Ordinary shares have full voting rights and participating rights.

27. Reserves

Profit and loss account:This reserve records retained earnings and accumulated losses.

28. Operating leases

The company as lessee

The total future minimum lease payments under non-cancellable operating leases are as follows:

	£	£
Not later than 1 year	189,904	190,072
Later than 1 year and not later than 5 years	61,759	248,421
	251,663	438,493

29. Directors advances, credits and guarantees

During the year the director entered into the following advances and credits with the company:

2017

	Balance brought forward	Advances /(credits) to the director	Balance o/standing
	£	**£**	**£**
R C Tuxford	(27,740)	53,997	26,257

2016

	Balance brought forward	Advances /(credits) to the director	Balance o/standing
	£	£	£
R C Tuxford	(219,690)	191,950	(27,740)

The loan is unsecured and interest free.

30. Related party transactions

Transactions with entities over which the company has control, joint control or significant influenceDuring the year the company made sales of £1,079,134 (2016: £719,839). Amounts owed to the company at 31 December 2017 were £1,816,307 (2016 £1,130,311). Outstanding balances with the entities are unsecured, interest free and cash settlement is normally due 30 days from the date of invoice. The company has not provided or benefitted from any guarantees for any related party receivables or payables. During the year the company paid expenses/loan companies over which they have significant influence £102,626 (2016: £158,165). At 31 December 2017 £1,049,497 (2016: £1,116,746) remained outstanding and included in other debtors. Transactions with other related partiesDuring the year the company repaid loans of £105,000 (2016: received £78,314) from family members of the director. At 31 December 2016 the balance outstanding and included in other creditors was £230,530 (2016: £335,530). No interest is charged on the loans which are unsecured and repayable on demand. Transactions with directorsDuring the year the company rented a property from the director for £190,200 (2016: £182,560). No amounts remained outstanding at the year end. The director received total remuneration during the year of £69,643 (2016 £47,208).

31. Key management personnel

Other than the director there is not considered to be any other key management personnel.

32. Controlling party

The company is controlled by R C Tuxford by virtue of his 100% shareholding and day to day involvement in the company.