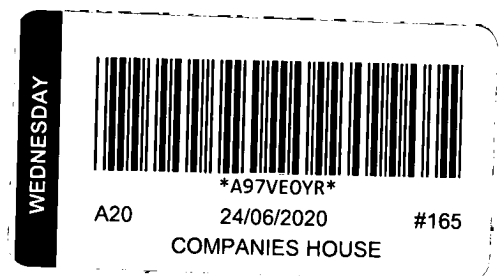


Company Registration No. 04445903 (England and Wales)

**DR & FA FORD TRANSPORT LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 OCTOBER 2019**



# DR & FA FORD TRANSPORT LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr D R Ford Mrs F A Ford
<b>Secretary</b>	Mr D R Ford
<b>Company number</b>	04445903
<b>Registered office</b>	Unit E6 Wem Industrial Estate Soulton Road Wem Shropshire SY4 5SD
<b>Auditor</b>	James Holyoak & Parker Limited 1 Knights Court Archers Way Battlefield Enterprise Park Shrewsbury SY1 3GA

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# DR & FA FORD TRANSPORT LIMITED

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# **DR & FA FORD TRANSPORT LIMITED**

## **STRATEGIC REPORT**

***FOR THE YEAR ENDED 31 OCTOBER 2019***

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The directors present the strategic report for the year ended 31 October 2019.

### **Fair review of the business**

The 2018/19 trading year was very much in line with expectations, showing a 6.0% increase in turnover. Gross margin has also increased from 18.8% in 2018 to 19.8% in 2019. Operating profit has fallen by 29.9% to £630,127. The decrease is due to the acquisition of a number of new vehicles which has increased the depreciation charge this year. Depreciation is charged on a reducing balance basis and therefore depreciation charge is at its highest in the year of acquisition.

The net assets of the company continue to increase, showing £2,856,266 as at 31 October 2019, and increase of £192,788 over the prior year (an increase of 7.2%).

### **Principal risks and uncertainties**

The directors continue to monitor the key business risks faced by the company and are satisfied with the current position. Their approach critically includes regular review of KPIs coupled with detailed financial forecasting. The company also seeks to ensure that all of its employees are properly trained and fully equipped to perform their duties as members of the company's workforce.

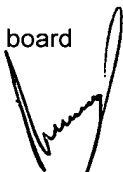
Obviously, the 2020 coronavirus pandemic will have an impact on the trading of the company. However, trading continues and the company is well placed to weather the storm, having a strong balance sheet, support from financiers and the continuation of trading in this difficult time.

### **Key performance indicators**

Key performance indicators are turnover and gross profit margin.

The business has continued to grow in 2018/19, with turnover increasing by 6.0% to £10,364,031. Gross profit has increased to 19.8% (2018: 18.8%), and this is considered a good margin for the business.

On behalf of the board



Mr D R Ford  
Director  
22 April 2020

# **DR & FA FORD TRANSPORT LIMITED**

## **DIRECTORS' REPORT**

***FOR THE YEAR ENDED 31 OCTOBER 2019***

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The directors present their annual report and financial statements for the year ended 31 October 2019.

### **Principal activities**

The principal activity of the company is the provision of road haulage and logistics services.

### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr D R Ford  
Mrs F A Ford

### **Results and dividends**

The results for the year are set out on page 7.

Ordinary dividends were paid amounting to £210,000. The directors do not recommend payment of a further dividend.

### **Auditor**

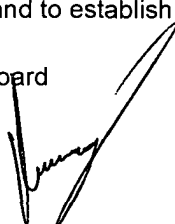
James Holyoak & Parker Limited were appointed auditor to the company and are deemed to be reappointed under section 487(2) of the Companies Act 2006.

### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

Mr D R Ford  
Director



22 April 2020

# **DR & FA FORD TRANSPORT LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 OCTOBER 2019***

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The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have 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 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for 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. 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.

# DR & FA FORD TRANSPORT LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF DR & FA FORD TRANSPORT LIMITED

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#### Opinion

We have audited the financial statements of DR & FA Ford Transport Limited (the 'company') for the year ended 31 October 2019 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the 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).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 October 2019 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have 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 directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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 our audit:

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

# **DR & FA FORD TRANSPORT LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF DR & FA FORD TRANSPORT LIMITED**

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#### **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 and the directors' 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 returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of directors**

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

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



# **DR & FA FORD TRANSPORT LIMITED**

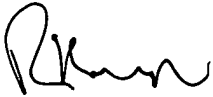
## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF DR & FA FORD TRANSPORT LIMITED**

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#### **Use of our report**

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



**Mr Robert Humphreys BEng FCA (Senior Statutory Auditor)**  
**for and on behalf of James Holyoak & Parker Limited**

22 April 2020

**Chartered Accountants**  
**Statutory Auditor**

1 Knights Court  
Archers Way  
Battlefield Enterprise Park  
Shrewsbury  
SY1 3GA

# DR & FA FORD TRANSPORT LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 OCTOBER 2019

	Notes	2019 £	2018 £
Turnover	3	10,364,031	9,777,953
Cost of sales		(8,314,631)	(7,942,779)
Gross profit		2,049,400	1,835,174
Administrative expenses		(1,427,073)	(943,289)
Other operating income		7,800	7,800
Operating profit	4	630,127	899,685
Interest payable and similar expenses	7	(132,858)	(94,312)
Profit before taxation		497,269	805,373
Tax on profit	8	(94,481)	(153,021)
Profit for the financial year		402,788	652,352

The profit and loss account has been prepared on the basis that all operations are continuing operations.

# DR & FA FORD TRANSPORT LIMITED

## STATEMENT OF COMPREHENSIVE INCOME

*FOR THE YEAR ENDED 31 OCTOBER 2019*

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	2019 £	2018 £
<b>Profit for the year</b>	402,788	652,352
<b>Other comprehensive income</b>	-	-
<b>Total comprehensive income for the year</b>	<u>402,788</u>	<u>652,352</u>

# DR & FA FORD TRANSPORT LIMITED

## BALANCE SHEET

AS AT 31 OCTOBER 2019

	Notes	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Tangible assets	11	4,846,714		3,624,259	
Investment properties	12	163,410		163,410	
		<u>5,010,124</u>		<u>3,787,669</u>	
<b>Current assets</b>					
Stocks	14	34,031		17,622	
Debtors	15	2,022,753		2,296,141	
Cash at bank and in hand		326,704		50,684	
		<u>2,383,488</u>		<u>2,364,447</u>	
<b>Creditors: amounts falling due within one year</b>	16	(2,252,393)		(2,117,705)	
<b>Net current assets</b>		<u>131,095</u>		<u>246,742</u>	
<b>Total assets less current liabilities</b>		<u>5,141,219</u>		<u>4,034,411</u>	
<b>Creditors: amounts falling due after more than one year</b>	17	(2,032,278)		(1,212,781)	
<b>Provisions for liabilities</b>	20	(252,675)		(158,152)	
<b>Net assets</b>		<u>2,856,266</u>		<u>2,663,478</u>	
<b>Capital and reserves</b>					
Called up share capital	24	1,000		1,000	
Profit and loss reserves		2,855,266		2,662,478	
<b>Total equity</b>		<u>2,856,266</u>		<u>2,663,478</u>	

The financial statements were approved by the board of directors and authorised for issue on 22 April 2020 and are signed on its behalf by:

Mr D R Ford  
Director

Mrs F A Ford  
Director

Company Registration No. 04445903

# DR & FA FORD TRANSPORT LIMITED

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 OCTOBER 2019

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 November 2017		1,000	2,200,126	2,201,126
Year ended 31 October 2018:				
Profit and total comprehensive income for the year		-	652,352	652,352
Dividends	9	-	(190,000)	(190,000)
Balance at 31 October 2018		1,000	2,662,478	2,663,478
Year ended 31 October 2019:				
Profit and total comprehensive income for the year		-	402,788	402,788
Dividends	9	-	(210,000)	(210,000)
Balance at 31 October 2019		1,000	2,855,266	2,856,266

# DR & FA FORD TRANSPORT LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 OCTOBER 2019

	Notes	2019 £	£	2018 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	30	1,922,808		1,364,539	
Interest paid		(132,858)		(94,312)	
Income taxes paid		(72,759)		(247,856)	
<b>Net cash inflow from operating activities</b>		<b>1,717,191</b>		<b>1,022,371</b>	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(2,952,351)		(242,727)	
Proceeds on disposal of tangible fixed assets		634,400		302,649	
Proceeds from other investments and loans		-		6,656	
<b>Net cash (used in)/generated from investing activities</b>		<b>(2,317,951)</b>		<b>66,578</b>	
<b>Financing activities</b>					
Repayment of bank loans		(16,812)		(16,356)	
Payment of finance leases obligations		1,103,592		(911,729)	
Dividends paid		(210,000)		(190,000)	
<b>Net cash generated from/(used in) financing activities</b>		<b>876,780</b>		<b>(1,118,085)</b>	
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>276,020</b>		<b>(29,136)</b>	
Cash and cash equivalents at beginning of year		50,684		79,820	
<b>Cash and cash equivalents at end of year</b>		<b>326,704</b>		<b>50,684</b>	

# DR & FA FORD TRANSPORT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2019

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### 1 Accounting policies

#### Company information

DR & FA Ford Transport Limited is a private company limited by shares incorporated in England and Wales. The registered office is Unit E6, Wem Industrial Estate, Soultton Road, Wem, Shropshire, SY4 5SD.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### 1.4 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life. Goodwill included in the financial statements has been fully amortised.

#### 1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings Freehold	Not provided
Plant and machinery	25% per annum on written down value
Motor vehicles	25% per annum on written down value

# DR & FA FORD TRANSPORT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2019

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### 1 Accounting policies

(Continued)

Freehold land and assets in the course of construction are not depreciated.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Freehold buildings are not depreciated, as they are maintained to a high standard. Although this is a departure from UK Accounting Standards, the directors consider that the market value of the freehold buildings in their maintained condition is not less than the cost of acquisition.

#### 1.6 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in profit or loss.

Where fair value cannot be achieved without undue cost or effort, investment property is accounted for as tangible fixed assets.

#### 1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.



# DR & FA FORD TRANSPORT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2019

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### 1 Accounting policies

(Continued)

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.10 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

##### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

# DR & FA FORD TRANSPORT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2019

---

### 1 Accounting policies

(Continued)

#### ***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### ***Classification of financial liabilities***

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### ***Basic financial liabilities***

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### ***Other financial liabilities***

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

#### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

#### **1.11 Equity instruments**

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### **1.12 Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

# DR & FA FORD TRANSPORT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2019

---

### 1 Accounting policies

(Continued)

#### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

#### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### **1.13 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.14 Retirement benefits**

The company operates a defined contribution scheme for the benefit of its directors. Contributions payable are charged to the profit and loss account in the year they are payable.

#### **1.15 Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

# DR & FA FORD TRANSPORT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2019

### 1 Accounting policies

(Continued)

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2019 £	2018 £
<b>Turnover analysed by class of business</b>		
Haulage activities	10,024,614	9,238,205
Sales of straw, firewood and other products	339,416	539,748
	<u>10,364,031</u>	<u>9,777,953</u>
<b>Analysis per statutory database</b>	<b>10,364,030</b>	<b>9,777,953</b>
<b>Statutory database analysis does not agree to the trial balance by:</b>	<b>1</b>	<b>-</b>

### 4 Operating profit

	2019 £	2018 £
Operating profit for the year is stated after charging/(crediting):		
Fees payable to the company's auditor for the audit of the company's financial statements	5,800	5,400
Depreciation of owned tangible fixed assets	149,384	117,252
Depreciation of tangible fixed assets held under finance leases	993,069	731,484
Profit on disposal of tangible fixed assets	(46,957)	(110,171)
Cost of stocks recognised as an expense	5,219,516	5,031,151
Operating lease charges	<u>10,486</u>	<u>48,479</u>

# DR & FA FORD TRANSPORT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2019

### 5 Employees

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

	2019 Number	2018 Number
Haulage	67	63
Management & administration	8	8
	<u>75</u>	<u>71</u>

Their aggregate remuneration comprised:

	2019 £	2018 £
Wages and salaries	2,807,480	2,621,000
Social security costs	247,631	232,650
Pension costs	105,518	60,702
	<u>3,160,629</u>	<u>2,914,352</u>

### 6 Directors' remuneration

	2019 £	2018 £
Remuneration for qualifying services	20,143	20,838
Company pension contributions to defined contribution schemes	60,000	34,355
	<u>80,143</u>	<u>55,193</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2018 - 2).

### 7 Interest payable and similar expenses

	2019 £	2018 £
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	7,229	8,191
<b>Other finance costs:</b>		
Interest on finance leases and hire purchase contracts	124,574	85,692
Other interest	1,055	429
	<u>132,858</u>	<u>94,312</u>

# DR & FA FORD TRANSPORT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2019

### 8 Taxation

	2019 £	2018 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	-	147,575
Adjustments in respect of prior periods	(42)	-
Total current tax	(42)	147,575
<b>Deferred tax</b>		
Origination and reversal of timing differences	94,523	5,446
Total tax charge	94,481	153,021

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2019 £	2018 £
Profit before taxation	497,269	805,373
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	94,481	153,021
Permanent capital allowances in excess of depreciation	(94,523)	(5,446)
Deferred tax	94,523	5,446
Taxation charge for the year	94,481	153,021

### 9 Dividends

	2019 £	2018 £
Final paid	210,000	190,000

# DR & FA FORD TRANSPORT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2019

### 10 Intangible fixed assets

	Goodwill £
<b>Cost</b>	
At 1 November 2018 and 31 October 2019	50,000
<b>Amortisation and impairment</b>	
At 1 November 2018 and 31 October 2019	50,000
<b>Carrying amount</b>	
At 31 October 2019	-
At 31 October 2018	-

### 11 Tangible fixed assets

	Land and buildings Freehold £	Plant and machinery £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 November 2018	200,000	60,440	7,030,872	7,291,312
Additions	-	6,000	2,946,351	2,952,351
Disposals	-	-	(1,689,579)	(1,689,579)
At 31 October 2019	200,000	66,440	8,287,644	8,554,084
<b>Depreciation and impairment</b>				
At 1 November 2018	-	44,405	3,622,648	3,667,053
Depreciation charged in the year	-	4,064	1,138,389	1,142,453
Eliminated in respect of disposals	-	-	(1,102,136)	(1,102,136)
At 31 October 2019	-	48,469	3,658,901	3,707,370
<b>Carrying amount</b>				
At 31 October 2019	200,000	17,971	4,628,743	4,846,714
At 31 October 2018	200,000	16,035	3,408,224	3,624,259

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2019 £	2018 £
Motor vehicles	4,248,076	3,038,387

Freehold land and buildings with a carrying amount of £200,000 (2018 - £200,000) have been pledged to secure borrowings of the company. The company is not allowed to pledge these assets as security for other borrowings or to sell them to another entity.

# DR & FA FORD TRANSPORT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2019

### 12 Investment property

	2019 £
<b>Fair value</b>	
At 1 November 2018 and 31 October 2019	163,410

Investment property comprises a residential property acquired in August 2016. The fair value of the investment property has been arrived at on the basis of a valuation carried out at 31 October 2019 by D R Ford, a director of the company. The acquisition cost was paid on an open market basis, and the directors consider that any movement in market price to 31 October 2019 was immaterial.

### 13 Financial instruments

	2019 £	2018 £
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	1,749,530	1,906,858
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	3,897,339	2,923,342

The fair value of the company's lease obligations is approximately equal to their carrying amount.

Interest expenses of £131,804 (2018 - £93,883) are included for the financial liabilities measured at amortised cost.

### 14 Stocks

	2019 £	2018 £
Finished goods and goods for resale	34,031	17,622

### 15 Debtors

	2019 £	2018 £
<b>Amounts falling due within one year:</b>		
Trade debtors	1,743,259	1,883,395
Corporation tax recoverable	42	-
Other debtors	6,271	23,463
Prepayments and accrued income	273,181	389,283
	2,022,753	2,296,141



# DR & FA FORD TRANSPORT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2019

### 16 Creditors: amounts falling due within one year

	Notes	2019 £	2018 £
Bank loans	18	17,482	16,998
Obligations under finance leases	19	1,016,425	749,626
Trade creditors		648,248	779,673
Corporation tax		74,816	147,575
Other taxation and social security		307,928	259,569
Deferred income	22	4,588	-
Other creditors		13,549	8,226
Accruals and deferred income		169,357	156,038
		<u>2,252,393</u>	<u>2,117,705</u>

### 17 Creditors: amounts falling due after more than one year

	Notes	2019 £	2018 £
Bank loans and overdrafts	18	71,214	88,510
Obligations under finance leases	19	1,961,064	1,124,271
		<u>2,032,278</u>	<u>1,212,781</u>

Amounts included above which fall due after five years are as follows:

Payable by instalments	-	14,875
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### 18 Loans and overdrafts

	2019 £	2018 £
Bank loans	<u>88,696</u>	<u>105,508</u>
Payable within one year	17,482	16,998
Payable after one year	<u>71,214</u>	<u>88,510</u>

The long-term loans are secured by way of the following:

- Fixed charges over the freehold land and buildings of the company.
- By way of debenture.
- Personal guarantee given by the directors up to the sum of £50,000.

The bank loan is repayable by equal instalments in less than ten years, applying a competitive market rate of interest.

# DR & FA FORD TRANSPORT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2019

### 19 Finance lease obligations

	2019	2018
	£	£
Future minimum lease payments due under finance leases:		
Within one year	1,016,425	749,626
In two to five years	1,961,064	1,124,271
	<u>2,977,489</u>	<u>1,873,897</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3-5 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

### 20 Provisions for liabilities

	Notes	2019	2018
		£	£
Deferred tax liabilities	21	<u>252,675</u>	<u>158,152</u>

### 21 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2019	Liabilities 2018
	£	£
<b>Balances:</b>		
Accelerated capital allowances	<u>252,675</u>	<u>158,152</u>
<b>Movements in the year:</b>		2019
		£
Liability at 1 November 2018		158,152
Charge to profit or loss		94,523
Liability at 31 October 2019		<u>252,675</u>

The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

# DR & FA FORD TRANSPORT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2019

### 22 Deferred income

	2019 £	2018 £
Other deferred income	4,588	-

### 23 Retirement benefit schemes

	2019 £	2018 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	105,518	60,702

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

### 24 Share capital

	2019 £	2018 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
1,000 ordinary shares of £1 each	1,000	1,000

### 25 Operating lease commitments

#### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2019 £	2018 £
Within one year	22,260	21,660

### 26 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2019 £	2018 £
Acquisition of tangible fixed assets	-	600,000

# DR & FA FORD TRANSPORT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2019

### 27 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2019 £	2018 £
Aggregate compensation	290,143	245,193

### 28 Ultimate controlling party

The company is controlled by D R Ford, a director, by virtue of his majority shareholding.

### 29 Directors' transactions

Dividends totalling £210,000. (2018 - £190,000) were paid in the year in respect of shares held by the company's directors.

### 30 Cash generated from operations

	2019 £	2018 £
Profit for the year after tax	402,788	652,352
<b>Adjustments for:</b>		
Taxation charged	94,481	153,021
Finance costs	132,858	94,312
Gain on disposal of tangible fixed assets	(46,957)	(110,171)
Depreciation and impairment of tangible fixed assets	1,142,453	848,736
<b>Movements in working capital:</b>		
Increase in stocks	(16,409)	(99)
Decrease/(increase) in debtors	273,430	(545,379)
(Decrease)/increase in creditors	(64,424)	278,267
Increase/(decrease) in deferred income	4,588	(6,500)
<b>Cash generated from operations</b>	<b>1,922,808</b>	<b>1,364,539</b>