Company Registration No. 04707862 (England and Wales)

J F PEARCE & SONS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

PEARSON MAY

Chartered Accountants & Chartered Tax Advisers
Originated 1841
www.pearsonmay.co.uk
BATH TROWBRIDGE CHIPPENHAM

J F PEARCE & SONS LIMITED

COMPANY INFORMATION

Directors	J C Pearce J S Pearce J R Pearce
Secretary	J C Pearce
Company number	04707862
Registered office	Unit 1 Leighton Business Park Wanstrow Shepton Mallet Somerset BA4 4FX
Auditors	Pearson May 67 & 68 St Mary Street Chippenham Wiltshire SN15 3JF
Bankers	Santander UK Plc Bridle Road Bootle Merseyside L30 4GB Lloyds Bank plc 37 Market Place Warminster Wiltshire BA12 9BD

J F PEARCE & SONS LIMITED

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J F PEARCE & SONS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2018

The directors present the strategic report for the year ended 31 March 2018.

Fair review of the business
The directors intend to continue their family haulage and aggregates business as they have done for many years, the original business being formed in 1959.

Principal risks and uncertainties
The financial risk management objectives of the company in relation to financial instruments are set by the board with a view to minimising its exposure to price risk, credit risk, liquidity risk and cashflow risk.

With these risks and uncertainties in mind, the directors are aware that any plans for future development of the business may be subject to unforeseen circumstances outside their control.

Key performance indicators
The company's key measurements of the effectiveness of its operations are turnover, gross and net operating margins. In the financial year 2018, the turnover was £9.2 million (2017: £10.0 million). Gross margin was 25.00% (2017: 30.63%). In the financial year 2018 the net margin was 8.35% (2017: 14.84%). The margins are in line with expectations.

By order of the board

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J C Pearce
Secretary
4.12.18

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2018

The directors present their annual report and financial statements for the year ended 31 March 2018.

Principal activities
The principal activity of the company continued to be that of a haulier and the purchase and sale of aggregates.

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

J C Pearce
J S Pearce
J R Pearce

Results and dividends
The results for the year are set out on page 6.

Dividends have been paid in accordance with note 10 on page 18.

Auditors
The auditors, Pearson May, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities
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.

Statement of disclosure to auditors
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 auditors are 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 auditors are aware of that information.

By order of the board

J C Pearce
Secretary
Date: 4-12-18

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF J F PEARCE & SONS LIMITED

Opinion

We have audited the financial statements of J F Pearce & Sons Limited (the 'company') for the year ended 31 March 2018 which comprise 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 March 2018 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 Auditors' *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.

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.

Auditors' responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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.

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 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Keith Surry

Keith Surry FCA (Senior Statutory Auditor)
for and on behalf of Pearson May

7 December 2018

Chartered Accountants
Statutory Auditor

67 & 68 St Mary Street
Chippenham
Wiltshire
SN15 3JF

J F PEARCE & SONS LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018 £	2017 £
Turnover	3	9,239,788	10,000,534
Cost of sales		(6,930,000)	(6,936,931)
Gross profit		2,309,788	3,063,603
Administrative expenses		(1,476,196)	(1,493,102)
Operating profit	4	833,592	1,570,501
Interest receivable and similar income	7	5,557	2,757
Interest payable and similar expenses	8	(67,908)	(88,865)
Profit before taxation		771,241	1,484,393
Tax on profit	9	(149,634)	(299,766)
Profit for the financial year		621,607	1,184,627

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

J F PEARCE & SONS LIMITED

BALANCE SHEET

AS AT 31 MARCH 2018

	Notes	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Goodwill	11		127,083		152,083
Tangible assets	12		5,473,668		5,672,575
			5,600,751		5,824,658
Current assets					
Stocks	13	151,279		165,575	
Debtors	14	1,911,344		1,623,709	
Cash at bank and in hand		1,334,598		1,156,418	
		3,397,221		2,945,702	
Creditors: amounts falling due within one year	15	(1,861,011)		(2,057,052)	
Net current assets			1,536,210		888,650
Total assets less current liabilities			7,136,961		6,713,308
Creditors: amounts falling due after more than one year	16		(1,159,598)		(1,196,215)
Provisions for liabilities	19		(112,491)		(123,828)
Net assets			5,864,872		5,393,265
Capital and reserves					
Called up share capital	22		375		375
Profit and loss reserves			5,864,497		5,392,890
Total equity			5,864,872		5,393,265

The financial statements were approved by the board of directors and authorised for issue on 4-12-18 and are signed on its behalf by:

J C Pearce
Director

J S Pearce
Director

J R Pearce
Director

Company Registration No. 04707862

J F PEARCE & SONS LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2018

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 April 2016		375	4,385,263	4,385,638
Year ended 31 March 2017:				
Profit and total comprehensive income for the year		-	1,184,627	1,184,627
Dividends	**10**	-	(177,000)	(177,000)
Balance at 31 March 2017		375	5,392,890	5,393,265
Year ended 31 March 2018:				
Profit and total comprehensive income for the year		-	621,607	621,607
Dividends	**10**	-	(150,000)	(150,000)
Balance at 31 March 2018		375	5,864,497	5,864,872

J F PEARCE & SONS LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2018

		2018		2017	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash generated from operations	27		1,452,835		2,283,748
Interest paid			(67,908)		(88,865)
Income taxes paid			(232,621)		(267,755)
Net cash inflow from operating activities			1,152,306		1,927,128
Investing activities					
Purchase of tangible fixed assets		(85,515)		(1,735,239)	
Proceeds on disposal of tangible fixed assets		28,441		9,000	
Proceeds from other investments and loans		(203,129)		-	
Interest received		5,557		2,757	
Net cash used in investing activities			(254,646)		(1,723,482)
Financing activities					
Proceeds of new bank loans		-		500,000	
Repayment of bank loans		(28,762)		(666,636)	
Payment of finance leases obligations		(540,718)		(701,393)	
Dividends paid		(150,000)		(177,000)	
Net cash used in financing activities			(719,480)		(1,045,029)
Net increase/(decrease) in cash and cash equivalents			178,180		(841,383)
Cash and cash equivalents at beginning of year			1,156,418		1,997,801
Cash and cash equivalents at end of year			1,334,598		1,156,418

1 Accounting policies

Company information

J F Pearce & Sons Limited is a private company limited by shares incorporated in England and Wales. The registered office is Unit 1, Leighton Business Park, Wanstrow, Shepton Mallet, Somerset, BA4 4FX.

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 have been prepared with early application of the FRS 102 Triennial Review 2017 amendments in full.

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. 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.

1.4 Intangible fixed assets - goodwill

Acquired goodwill is written off in equal instalments over a period of 20 years.

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:

Freehold land and buildings	2% straight line
Plant, machinery and equipment	15% reducing balance
Office equipment	20% reducing balance
Motor vehicles and trailers	25% reducing balance [Depreciation is charged from the quarter in which new vehicles are brought into use. Depreciation is not charged on vehicles purchased but that are not brought into use at the year end date.]

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.

1 Accounting policies **(Continued)**

1.6 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.

1.7 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.

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.

1.8 Cash at bank and in hand

Cash at bank and in hand 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.

1.9 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.

1 Accounting policies **(Continued)**

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.

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.

1 Accounting policies **(Continued)**

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 though 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.

1.10 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.

1.11 Taxation

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

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.

1 Accounting policies **(Continued)**

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.

1.12 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.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 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 the profit and loss account 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 income 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 lease asset are consumed.

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

	2018	2017
	£	£
Turnover analysed by class of business		
Haulage	8,792,584	9,628,444
Aggregates	447,204	372,090
	9,239,788	10,000,534

	2018	2017
	£	£
Other significant revenue		
Interest income	5,557	2,757

	2018	2017
	£	£
Turnover analysed by geographical market		
United Kingdom	9,239,788	10,000,534

4 Operating profit

	2018	2017
Operating profit for the year is stated after charging:	£	£
Fees payable to the company's auditors for the audit of the company's financial statements	14,000	14,000
Depreciation of owned tangible fixed assets	413,461	321,465
Depreciation of tangible fixed assets held under finance leases	341,421	406,610
Loss on disposal of tangible fixed assets	3,133	9,134
Amortisation of intangible assets	25,000	25,000
Operating lease charges	74,823	66,000

5 Employees

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

	2018 Number	2017 Number
Directors	3	3
Administrative staff	12	10
Drivers	69	68
Fitters	9	9
	93	90

Their aggregate remuneration comprised:

	2018 £	2017 £
Wages and salaries	2,952,642	2,956,063
Social security costs	273,549	279,618
Pension costs	124,316	190,182
	3,350,507	3,425,863

6 Directors' remuneration

	2018 £	2017 £
Remuneration for qualifying services	24,487	25,110
Company pension contributions to defined contribution schemes	105,000	120,000
	129,487	145,110

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2017 - 3).

7 Interest receivable and similar income

	2018	2017
	£	£
Interest income		
Interest on bank deposits	1,436	2,757
Other interest income	4,121	-
Total income	5,557	2,757

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	1,436	2,757

8 Interest payable and similar expenses

	2018	2017
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	10,552	12,170
Interest on finance leases and hire purchase contracts	45,279	64,709
Other interest on financial liabilities	10,000	10,000
	65,831	86,879
Other finance costs:		
Other interest	2,077	1,986
	67,908	88,865

9 Taxation

	2018	2017
	£	£
Current tax		
UK corporation tax on profits for the current period	160,971	298,638
Deferred tax		
Origination and reversal of timing differences	(11,337)	1,128
Total tax charge	149,634	299,766

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:

	2018	2017
	£	£
Profit before taxation	771,241	1,484,393
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 20.00%)	146,536	296,879
Tax effect of expenses that are not deductible in determining taxable profit	795	1,849
Depreciation in excess of capital allowances	13,640	(90)
Deferred taxation	(11,337)	1,128
Taxation charge for the year	149,634	299,766

10 Dividends

	2018	2017
	£	£
Interim paid	150,000	177,000

11 Intangible fixed assets

	Goodwill
	£
Cost	
At 1 April 2017 and 31 March 2018	500,000
Amortisation and impairment	
At 1 April 2017	347,917
Amortisation charged for the year	25,000
At 31 March 2018	372,917
Carrying amount	
At 31 March 2018	127,083
At 31 March 2017	152,083

12 Tangible fixed assets

	Freehold land and buildings	Plant, machinery and equipment	Office equipment	Motor vehicles and trailers	Total
	£	£	£	£	£
Cost					
At 1 April 2017	2,807,029	299,073	25,505	8,086,882	11,218,489
Additions	177	27,579	3,141	556,652	587,549
Disposals	(8,441)	-	-	(278,511)	(286,952)
At 31 March 2018	2,798,765	326,652	28,646	8,365,023	11,519,086
Depreciation and impairment					
At 1 April 2017	21,064	112,964	5,859	5,406,027	5,545,914
Depreciation charged in the year	52,063	29,938	4,394	668,487	754,882
Eliminated in respect of disposals	-	-	-	(255,378)	(255,378)
At 31 March 2018	73,127	142,902	10,253	5,819,136	6,045,418
Carrying amount					
At 31 March 2018	2,725,638	183,750	18,393	2,545,887	5,473,668
At 31 March 2017	2,785,965	186,109	19,646	2,680,855	5,672,575

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

	2018	2017
	£	£
Motor vehicles and trailers	1,513,275	1,399,789
Depreciation charge for the year in respect of leased assets	341,421	406,610

Included in 'Additions' to Motor vehicles and trailers' are 3 tractor units and 7 trailers (2017 2 tractor units and 11 trailers) which were purchased during the accounting period under review at a cost of £559,580 (2017 £396,998), which were not on the road and in use by 31 March 2018. Thus the directors have decided at present not to provide for depreciation in the accounting period under review on that expenditure, but have provided for depreciation from the quarter in which new vehicles are brought into use during the year.

13 Stocks

	2018	2017
	£	£
Finished goods and goods for resale	151,279	165,575

14 Debtors

Amounts falling due within one year:	2018 £	2017 £
Trade debtors	1,384,646	1,369,782
Other debtors	397,511	200,592
Prepayments and accrued income	129,187	53,335
	1,911,344	1,623,709

15 Creditors: amounts falling due within one year

	Notes	2018 £	2017 £
Bank loans and overdrafts	17	29,157	28,988
Obligations under finance leases	18	435,130	493,926
Other borrowings	17	200,000	200,000
Trade creditors		446,951	588,908
Corporation tax		226,988	298,638
Other taxation and social security		242,387	233,527
Other creditors		187,605	122,824
Accruals and deferred income		92,793	90,241
		1,861,011	2,057,052

16 Creditors: amounts falling due after more than one year

	Notes	2018 £	2017 £
Bank loans and overdrafts	17	425,445	454,376
Obligations under finance leases	18	734,153	714,041
Other creditors		-	27,798
		1,159,598	1,196,215

17 Loans and overdrafts

	2018 £	2017 £
Bank loans	454,602	483,364
Loans from related parties	200,000	200,000
	654,602	683,364
Payable within one year	229,157	228,988
Payable after one year	425,445	454,376

17 Loans and overdrafts **(Continued)**

The bank loan is secured by an unlimited debenture from the company and a first legal charge over the freehold and buildings at Unit 1 Leighton Business Park, Haygrove Lane, Wanstrow, Shepton Mallet, BA14 4FX in favour of Lloyds Bank plc.

The bank loan consists of a loan drawn down in August 2016 of £500,000. The loan bears interest at a rate of 1.9% over Base Rate (official bank rate of the Bank of England) per annum and is repayable over 15 years.

The loan from a related party is unsecured. The loan bears interest at a rate of 5% per annum and interest will be repaid in consecutive monthly instalments. Repayments will continue until such time as a written notice of demand is received at which point the principal amount will become repayable within 365 days.

18 Finance lease obligations

	2018	2017
Future minimum lease payments due under finance leases:	£	£
Within one year	435,130	493,926
In two to five years	734,153	714,041
	1,169,283	1,207,967

Obligations under finance leases are secured by fixed charges on the assets concerned. The directors have also given personal guarantees in respect of a number of the finance lease agreements. The directors consider that the carrying amount of the obligations under finance leases approximate to their fair value.

19 Provisions for liabilities

	Notes	2018 £	2017 £
Deferred tax liabilities	20	112,491	123,828

20 Deferred taxation

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

	Liabilities 2018	Liabilities 2017
Balances:	£	£
Accelerated capital allowances	112,491	123,828

20 Deferred taxation **(Continued)**

Movements in the year:	2018 £
Liability at 1 April 2017	123,828
Credit to profit or loss	(11,337)
Liability at 31 March 2018	112,491

21 Retirement benefit schemes

Defined contribution schemes	2018 £	2017 £
Charge to profit or loss in respect of defined contribution schemes	124,316	190,182

The company operates defined contribution pension schemes for all qualifying employees. The assets of the schemes are held separately from those of the company in independently administered funds.

22 Share capital

	2018 £	2017 £
Ordinary share capital		
Issued and fully paid		
300 ordinary 'A' shares of £1 each	300	300
75 ordinary 'B' shares of £1 each	75	75
	375	375

Each 'A' share is entitled to two votes in any circumstance. Each 'A' share is entitled pari passu to all dividend payments or other distributions to that class of share. Dividends can be paid in respect of one or more classes of shares to the exclusion of the other classes. All 'A' and 'B' shares are entitled pari passu to participate in a distribution on a winding up.

Each 'B' share is entitled to one vote in any circumstance. Each 'B' share is entitled pari passu to all dividend payments or other distributions to that class of share. Dividends can be paid in respect of one or more classes of shares to the exclusion of the other classes. All 'A' and 'B' shares are entitled pari passu to participate in a distribution on a winding up.

23 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:

	2018	2017
	£	£
Within one year	99,000	40,000
Between two and five years	389,000	160,000
In over five years	100,000	140,000
	588,000	340,000

24 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2018	2017
	£	£
Acquisition of tangible fixed assets	-	105,000

25 Related party transactions

Transactions with related parties
During the year, the company paid dividends to the wives of the directors amounting to £45,000 (2017 £60,000).

Other creditors includes £131,573 (2017 £119,736) owed to the wives of the directors. The loans are unsecured, interest free and repayable on demand.

Other creditors includes £200,000 (2017 £200,000) owed to the mother of the directors. This loan is unsecured. The loan bears interest at the rate of 5% per annum and interest will be paid in consecutive monthly instalments. Repayments will continue until such time as a written notice of demand is received at which point the principal amount will become repayable within 365 days.

During the year the company made sales to the Pearce Retirement Benefit scheme of £nil (2017 £21,201). The directors are all beneficiaries of the scheme and believe the transactions to have been carried out on an arms length basis.

During the year the company paid rent to the Pearce Retirement Benefit Scheme amounting to £40,000 (2017 £40,000). The directors are all beneficiaries of the scheme and believe the transactions have been carried out on an arms length basis.

26 Directors' transactions

Dividends totalling £105,000 (2017 - £117,000) were paid in the year in respect of shares held by the company's directors.

Creditors includes a total of £56,032 (2017 £30,876) owed to two of the directors. The amount is unsecured, repayable over a period of 10 years and interest has been charged on the amount owing at the rate of 2% over Bank Base Rate.

During the year the company made purchases from one of the directors in the amount of £nil (2017 £2,541.).

Advances or credits have been granted by the company to one of its directors as follows: The loan is unsecured and repayable on demand. The maximum overdrawn balance on this loan during the period was £203,129.

Description	% Rate	Opening balance £	Amounts advanced £	Interest charged £	Amounts repaid £	Closing balance £
Loan	2.50	(293)	235,138	4,084	(35,800)	203,129
		(293)	235,138	4,084	(35,800)	203,129

27 Cash generated from operations

	2018 £	2017 £
Profit for the year after tax	621,607	1,184,627
Adjustments for:		
Taxation charged	149,634	299,766
Finance costs	67,908	88,865
Investment income	(5,557)	(2,757)
Loss on disposal of tangible fixed assets	3,133	9,134
Amortisation and impairment of intangible assets	25,000	25,000
Depreciation and impairment of tangible fixed assets	754,882	728,075
Movements in working capital:		
Decrease/(increase) in stocks	14,296	(39,443)
(Increase)/decrease in debtors	(84,506)	163,687
(Decrease) in creditors	(93,562)	(173,206)
Cash generated from operations	1,452,835	2,283,748

28 Analysis of changes in net debt

	1 April 2017	Cash flows	New finance leases	31 March 2018
	£	£	£	£
Cash at bank and in hand	1,156,418	178,180	-	1,334,598
Borrowings excluding overdrafts	(683,364)	28,762	-	(654,602)
Obligations under finance leases	(1,207,967)	540,718	(502,034)	(1,169,283)
	(734,913)	747,660	(502,034)	(489,287)