

Registered number: NI017855

Dennison Trailers Limited

**Annual Report
and Financial Statements**

For the year ended 31 December 2016



DENNISON TRAILERS LIMITED

Company Information

| | |
|----------------------------|---|
| Directors | Mr J C Dennison Mr G T Dennison Mr A Kinsella Mr D Dennison Ms J Dennison |
| Company secretary | Ms J Dennison |
| Registered number | NI017855 |
| Registered office | Unit 1 Channel Wharf 21 Old Channel Road Belfast BT3 9DE |
| Trading Address | Caton Road Lancaster LA1 3PE |
| Independent auditor | CLB Coopers Audit Services Fleet House New Road Lancaster LA1 1EZ |

DENNISON TRAILERS LIMITED

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DENNISON TRAILERS LIMITED

Strategic report For the year ended 31 December 2016

Introduction

The Company's main activities remain the manufacture of semi-trailers and the sale of associated parts.

Business review

The Directors are satisfied with the Company's performance and financial results and that the financial statements show a healthy profit in 2016.

The Directors do not anticipate any change in the future trading activities of the Company.

Principal risks and uncertainties

The Directors are responsible for the Company's system of internal controls and for reviewing its effectiveness. The internal control system is designed to manage the risk of failure to achieve the Company's business objectives and provide reasonable assurance against material misstatement or loss.


The Company's business is primarily affected by economic conditions in the UK and Ireland, where positive business confidence and activity has boosted the financial results.

The Company uses financial instruments throughout its business, the core risks associated with the Company's financial instruments are currency risk, credit risk and liquidity risk. The board reviews and agrees policies for the prudent management of these risks.

Financial key performance indicators

The Directors assess a number of qualitative factors in reviewing the business performance and generally are happy with these garnered through various key performance indicators.

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



Mr A Kinsella
Director

Date: 28th Sept 2017.

DENNISON TRAILERS LIMITED

Directors' report For the year ended 31 December 2016

The directors present their report and the financial statements for the year ended 31 December 2016.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, the directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the company's financial statements and then apply them consistently;
- make judgments 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.

Results and dividends

The profit for the year, after taxation, amounted to £845,827 (2015: £675,526).

Dividends paid to shareholders in the year amounted to £nil (2015: £nil).

Directors

The directors who served during the year were:

Mr J C Dennison
Mr G T Dennison
Mr A Kinsella
Mr D Dennison
Ms J Dennison

Future developments

The directors have outlined their future trading plans in the strategic report on page 1.

Qualifying third party indemnity provisions

During the year and at the date of approval of the Annual Report, qualifying third party indemnity provisions were in place in respect of the directors.

DENNISON TRAILERS LIMITED

**Directors' report (continued)
For the year ended 31 December 2016**

Disclosure of information to auditor

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

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

Post balance sheet events

There have been no significant events affecting the company since the year end.

Auditor

The auditor, CLB Coopers, has tendered its resignation. CLB Coopers Audit Services will be proposed for appointment in accordance with section 485 of the Companies Act 2006.

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



Mr A Kinsella
Director

Date: 28th Sept 2017

Independent auditor's report to the shareholders of Dennison Trailers Limited

We have audited the financial statements of Dennison Trailers Limited for the year ended 31 December 2016, set out on pages 6 to 24. The relevant financial reporting framework that has been applied in their preparation is the applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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.

Respective responsibilities of Directors and Auditor

As explained more fully in the directors' responsibilities statement on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the strategic report and the directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit, the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with those financial statements and such reports have been prepared in accordance with applicable legal requirements.

In the light of our 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.

Independent auditor's report to the shareholders of Dennison Trailers Limited (continued)

Matters on which we are required to report by exception

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.

CLB Coopers Audit Services

Philip Whiteway (senior statutory auditor)

for and on behalf of

CLB Coopers Audit Services

Statutory Auditors

Fleet House
New Road
Lancaster
LA1 1EZ

Date: 28/9/17

DENNISON TRAILERS LIMITED

Statement of income and retained earnings For the year ended 31 December 2016

| | Note | 2016 £ | 2015 £ |
|--|------|------------------|------------------|
| Turnover | 4 | 37,491,198 | 40,796,780 |
| Cost of sales | | (33,852,640) | (37,645,590) |
| Gross profit | | 3,638,558 | 3,151,190 |
| Administrative expenses | | (2,633,776) | (2,417,251) |
| Other operating income | 5 | 40,817 | 35,227 |
| Operating profit | 6 | 1,045,599 | 769,166 |
| Interest receivable and similar income | 10 | 10,664 | 26,911 |
| Interest payable and similar charges | 11 | (1,734) | (2,664) |
| Profit on ordinary activities before taxation | | 1,054,529 | 793,413 |
| Tax on profit on ordinary activities | 12 | (208,702) | (117,887) |
| Profit for the financial year | | 845,827 | 675,526 |
| Retained earnings at the beginning of the year | | 5,776,293 | 5,100,767 |
| | | 5,776,293 | 5,100,767 |
| Profit for the year | | 845,827 | 675,526 |
| Retained earnings at the end of the year | | 6,622,120 | 5,776,293 |

The notes on pages 9 to 24 form part of these financial statements.

DENNISON TRAILERS LIMITED

Registered number: NI017855

Balance sheet

As at 31 December 2016

| | Note | 2016 £ | 2015 £ |
|---|------|-------------------------|-------------------------|
| Fixed assets | | | |
| Intangible assets | 13 | 39,375 | 61,875 |
| Tangible assets | 14 | 5,807,117 | 5,499,260 |
| | | <u>5,846,492</u> | <u>5,561,135</u> |
| Current assets | | | |
| Stocks | 15 | 4,614,457 | 2,707,150 |
| Debtors | 16 | 3,282,216 | 1,917,519 |
| Cash at bank and in hand | 17 | 1,520,152 | 3,909,584 |
| | | <u>9,416,825</u> | <u>8,534,253</u> |
| Creditors: amounts falling due within one year | 18 | (8,407,439) | (8,129,737) |
| Net current assets | | <u>1,009,386</u> | <u>404,516</u> |
| Total assets less current liabilities | | <u>6,855,878</u> | <u>5,965,651</u> |
| Creditors: amounts falling due after more than one year | 19 | (39,315) | (57,729) |
| Provisions for liabilities | | | |
| Deferred tax | 22 | (175,686) | (112,872) |
| Net assets | | <u><u>6,640,877</u></u> | <u><u>5,795,050</u></u> |
| Capital and reserves | | | |
| Called up share capital | 23 | 100 | 100 |
| Non-distributable profit and loss account | 24 | 18,657 | 18,657 |
| Profit and loss account | 24 | 6,622,120 | 5,776,293 |
| | | <u><u>6,640,877</u></u> | <u><u>5,795,050</u></u> |

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


Mr A Kinsella
DirectorDate: 28th Sept 2017

The notes on pages 9 to 24 form part of these financial statements.

DENNISON TRAILERS LIMITED

Statement of cash flows For the year ended 31 December 2016

| | 2016 £ | 2015 £ |
|---|--------------------|--------------------|
| Cash flows from operating activities | | |
| Profit for the financial year | 845,827 | 675,526 |
| Adjustments for: | | |
| Amortisation of intangible assets | 22,500 | 22,500 |
| Depreciation of tangible assets | 330,123 | 186,676 |
| Profit on disposal of tangible assets | (135,889) | (18,694) |
| Interest paid | 1,734 | 2,664 |
| Interest received | (10,664) | (26,911) |
| Taxation charge | 208,702 | 117,887 |
| (Increase)/decrease in stocks | (1,907,307) | 397,138 |
| (Increase)/decrease in debtors | (1,364,695) | 194,514 |
| Increase in creditors | 288,851 | 971,329 |
| (Decrease) in amounts owed to groups | (151,411) | (1,715,889) |
| Corporation tax paid | (5,015) | (513) |
| Government grants received | (1,123) | (1,123) |
| Net cash generated from operating activities | (1,878,367) | 805,104 |
| Cash flows from investing activities | | |
| Purchase of tangible fixed assets | (670,668) | (2,249,999) |
| Sale of tangible fixed assets | 168,574 | 45,713 |
| Interest received | 10,664 | 26,911 |
| Net cash from investing activities | (491,430) | (2,177,375) |
| Cash flows from financing activities | | |
| Repayment of loans | - | (3,977) |
| (Repayment of)/new finance leases | (16,248) | (15,278) |
| Interest paid | (1,894) | (202) |
| HP interest paid | (1,493) | (2,462) |
| Net cash used in financing activities | (19,635) | (21,919) |
| Net (decrease) in cash and cash equivalents | (2,389,432) | (1,394,190) |
| Cash and cash equivalents at beginning of year | 3,909,584 | 5,303,774 |
| Cash and cash equivalents at the end of year | 1,520,152 | 3,909,584 |
| Cash and cash equivalents at the end of year comprise: | | |
| Cash at bank and in hand | 1,520,152 | 3,909,584 |
| | 1,520,152 | 3,909,584 |

**Notes to the financial statements
For the year ended 31 December 2016**

1. General information

Dennison Trailers Limited ("the Company") is a limited company incorporated in Northern Ireland and domiciled in England.

The address of the Company's registered office is Unit 1, Channel Wharf, 21 Old Channel Road, Belfast, BT3 9DE and its principal place of business is Caton Road, Lancaster, LA1 3PQ.

These financial statements cover that of the Company only.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investment properties and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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

The following principal accounting policies have been applied:

2.2 Going concern

The directors have concluded that it is appropriate to prepare the accounts on a going concern basis as the Company has adequate cash resources and financial projections indicate that the Company will continue to trade and meet its liabilities as they fall due.

2.3 Revenue

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

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Notes to the financial statements
For the year ended 31 December 2016

2. Accounting policies (continued)

2.4 Intangible assets

The estimated useful lives range as follows:

| | | |
|-----------------------|---|-----------------------|
| Intellectual property | - | 4 years straight line |
|-----------------------|---|-----------------------|

Amortisation is charged to cost of sales in the profit and loss account.

2.5 Tangible fixed assets

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

Depreciation is provided on the following basis:

| | |
|-----------------------|-----------------------|
| Freehold property | - 2% straight line |
| Leasehold Property | - Over the lease term |
| Plant and machinery | - 25% straight line |
| Motor vehicles | - 25% straight line |
| Trailer rental fleets | - 13% straight line |

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the profit and loss account.

Freehold investment property is not depreciated. The directors are of the opinion that the depreciation charge and accumulated depreciation on freehold investment properties is immaterial owing to these assets having very long useful lives and high residual values. An impairment review is carried out on an annual basis.

2.6 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.7 Debtors

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

**Notes to the financial statements
For the year ended 31 December 2016**

2. Accounting policies (continued)

2.8 Cash and cash equivalents

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

In the statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the company's cash management.

2.9 Financial instruments

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

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

2.10 Creditors

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

2.11 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the statement of income and retained earnings at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the statement of income and retained earnings in the same period as the related expenditure.

2. Accounting policies (continued)

2.12 Foreign currency translation

Functional and presentational currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account except when deferred in other comprehensive income as qualifying cash flow hedges.

2.13 Finance costs

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

2.14 Operating leases

Rentals paid/received under operating leases are charged to the profit or loss on a straight line basis over the period of the lease.

2.15 Pensions

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

The contributions are recognised as an expense in the profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.16 Interest income

Interest income is recognised in the profit and loss account using the effective interest method.

Notes to the financial statements
For the year ended 31 December 2016

2. Accounting policies (continued)

2.17 Provisions for liabilities

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

Provisions are charged as an expense to the profit and loss account in the year that the company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

2.18 Current and deferred taxation

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

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

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

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

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

2.19 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the company but are presented separately due to their size or incidence.

Notes to the financial statements
For the year ended 31 December 2016

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

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are discussed below.

The recoverable amount of goodwill and other intangible assets is based on value in use which requires estimates in respect of the allocation of goodwill to cash generating units, the future cash flows and an appropriate discount rate. The key inputs to the value in use calculations are the discount rate and the future earnings growth.

Critical areas of judgement

(a) Useful economic lives of tangible fixed assets

The useful economic life and depreciation rate of tangible fixed assets is reviewed annually and amended when necessary.

(b) Bad debt provision

The company reviews all trade debtors regularly and considers factors including ageing profile and historical experience to assess whether a provision is necessary. Any provision is charged to the profit or loss account in the year in which it is made.

(c) Leases

In categorising leases as finance leases or operating leases, management make judgements as to whether significant risks and rewards of ownership have transferred to the company as lessee.

4. Turnover

Analysis of turnover by country of destination:

| | 2016 £ | 2015 £ |
|-------------------|-------------------|-------------------|
| United Kingdom | 35,251,971 | 40,291,873 |
| Rest of Europe | 2,209,361 | 495,393 |
| Rest of the world | 29,866 | 9,514 |
| | <u>37,491,198</u> | <u>40,796,780</u> |

DENNISON TRAILERS LIMITED

Notes to the financial statements For the year ended 31 December 2016

5. Other operating income

| | 2016 £ | 2015 £ |
|------------------------|---------------|---------------|
| Rental income | 39,349 | 21,070 |
| Sundry income | - | 1,500 |
| Commissions receivable | 1,468 | 12,657 |
| | <u>40,817</u> | <u>35,227</u> |

6. Operating profit

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

| | 2016 £ | 2015 £ |
|---|---------------|---------------|
| Research & development | 3,381 | 6,750 |
| Depreciation of assets owned by the company | 314,217 | 170,770 |
| Depreciation on assets held under hire purchase contracts | 15,906 | 15,906 |
| Amortisation of intangible assets | 22,500 | 22,500 |
| (Profit) on disposal of fixed assets | (135,889) | (18,694) |
| Fees payable to the Company's auditor | 13,865 | 13,470 |
| Exchange differences on translation of foreign transactions | 119,231 | (66,095) |
| Other operating lease rentals | 43,170 | 57,541 |
| Defined contribution pension cost | 31,631 | 19,530 |
| | <u>31,631</u> | <u>19,530</u> |

7. Auditor's remuneration

| | 2016 £ | 2015 £ |
|--|--------------|--------------|
| Fees payable to the Company's auditor for the audit of the Company's annual accounts | 12,465 | 12,100 |
| Fees payable to the Company's auditor in respect of: | | |
| Other services relating to taxation | 1,400 | 1,370 |
| | <u>1,400</u> | <u>1,370</u> |

DENNISON TRAILERS LIMITED

Notes to the financial statements For the year ended 31 December 2016

8. Employees

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

| | 2016 £ | 2015 £ |
|-------------------------------------|------------------|------------------|
| Wages and salaries | 2,391,035 | 2,591,313 |
| Social security costs | 237,666 | 278,870 |
| Cost of defined contribution scheme | 31,631 | 19,530 |
| | <u>2,660,332</u> | <u>2,889,713</u> |

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

| | 2016 No. | 2015 No. |
|--------------------------|-------------|-------------|
| Production | 55 | 53 |
| Administrative and sales | 24 | 22 |
| Management | 1 | 2 |
| | <u>80</u> | <u>77</u> |

9. Directors' remuneration

| | 2016 £ | 2015 £ |
|---|----------------|----------------|
| Directors' emoluments | 285,118 | 556,282 |
| Company contributions to defined contribution pension schemes | - | 6,240 |
| | <u>285,118</u> | <u>562,522</u> |

During the year retirement benefits were accruing to no directors (2015: 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £285,118 (2015: £492,691).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £Nil (2015: £3,360).

DENNISON TRAILERS LIMITED**Notes to the financial statements
For the year ended 31 December 2016****10. Interest receivable and similar income**

| | 2016 £ | 2015 £ |
|--------------------------|---------------|---------------|
| Bank interest receivable | <u>10,664</u> | <u>26,911</u> |

11. Interest payable and similar charges

| | 2016 £ | 2015 £ |
|--|--------------|--------------|
| Bank interest payable | 241 | 202 |
| Finance leases and hire purchase contracts | 1,493 | 2,462 |
| | <u>1,734</u> | <u>2,664</u> |

12. Taxation

| | 2016 £ | 2015 £ |
|--|----------------|----------------|
| Corporation tax | | |
| Current tax on profits for the year | <u>145,888</u> | <u>5,015</u> |
| | <u>145,888</u> | <u>5,015</u> |
| Deferred tax | | |
| Origination and reversal of timing differences | <u>62,814</u> | <u>112,872</u> |
| Taxation on profit on ordinary activities | <u>208,702</u> | <u>117,887</u> |

Notes to the financial statements
For the year ended 31 December 2016

12. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2015: lower than) the standard rate of corporation tax in the UK of 20% (2015: 20.25%). The differences are explained below:

| | 2016 £ | 2015 £ |
|--|-----------------------|-----------------------|
| Profit on ordinary activities before tax | <u>1,054,529</u> | <u>793,413</u> |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015: 20.25%) | 210,906 | 160,666 |
| Effects of: | | |
| Pension contributions accrued | 190 | - |
| Expenses not deductible for tax purposes | 12,472 | 8,535 |
| Capital allowances for year in deficit/(excess) of depreciation | 4,112 | (62,284) |
| Utilisation of tax losses | (92,878) | (98,051) |
| General provision | 38,264 | - |
| Profit on disposal of tangible fixed assets | (27,178) | (3,786) |
| Deferred tax movement in accelerated capital allowances | 62,814 | 124,485 |
| Deferred tax movements in tax losses carried forward | - | (11,678) |
| Total tax charge for the year | <u><u>208,702</u></u> | <u><u>117,887</u></u> |

Factors that may affect future tax charges

Future reductions to the UK Corporation tax rates have been announced by the current UK government. The main rate of corporation tax will reduce from 20% to 19% for the financial years beginning 1 April 2017, 1 April 2018 and 1 April 2019. There will be a further reduction to 18% for the financial year beginning 1 April 2020.

DENNISON TRAILERS LIMITED

**Notes to the financial statements
For the year ended 31 December 2016**

13. Intangible assets

| | Intellectual property £ |
|-----------------------|--|
| Cost | |
| At 1 January 2016 | <u>90,000</u> |
| At 31 December 2016 | <u>90,000</u> |
| Amortisation | |
| At 1 January 2016 | 28,125 |
| Charge for the year | <u>22,500</u> |
| At 31 December 2016 | <u>50,625</u> |
| Net book value | |
| At 31 December 2016 | <u><u>39,375</u></u> |
| At 31 December 2015 | <u><u>61,875</u></u> |

DENNISON TRAILERS LIMITED

Notes to the financial statements For the year ended 31 December 2016

14. Tangible fixed assets

| | Investment Property £ | Freehold & leasehold property £ | Plant and machinery £ | Motor vehicles £ | Trailer rental fleets £ | Total £ |
|--------------------------|-----------------------------|--|-----------------------------|------------------------|----------------------------------|------------------|
| Cost or valuation | | | | | | |
| At 1 January 2016 | 800,000 | 4,593,661 | 1,790,948 | 142,233 | 81,000 | 7,407,842 |
| Additions | - | 100,463 | 386,704 | 53,000 | 130,500 | 670,667 |
| Disposals | - | - | (55,909) | - | - | (55,909) |
| At 31 December 2016 | <u>800,000</u> | <u>4,694,124</u> | <u>2,121,743</u> | <u>195,233</u> | <u>211,500</u> | <u>8,022,600</u> |
| Depreciation | | | | | | |
| At 1 January 2016 | - | 491,682 | 1,276,265 | 94,230 | 46,407 | 1,908,584 |
| Charge for the period | - | 74,306 | 220,611 | 19,643 | 15,563 | 330,123 |
| Disposals | - | - | (23,224) | - | - | (23,224) |
| At 31 December 2016 | <u>-</u> | <u>565,988</u> | <u>1,473,652</u> | <u>113,873</u> | <u>61,970</u> | <u>2,215,483</u> |
| Net book value | | | | | | |
| At 31 December 2016 | <u>800,000</u> | <u>4,128,136</u> | <u>648,091</u> | <u>81,360</u> | <u>149,530</u> | <u>5,807,117</u> |
| At 31 December 2015 | <u>800,000</u> | <u>4,101,979</u> | <u>514,683</u> | <u>48,003</u> | <u>34,593</u> | <u>5,499,258</u> |

Included within Freehold & leasehold property is leasehold property with a net book value amounting to £49,422 (2015: £nil).

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

| | 2016 £ | 2015 £ |
|---------------------|---------------|---------------|
| Plant and machinery | <u>18,558</u> | <u>34,464</u> |

DENNISON TRAILERS LIMITED**Notes to the financial statements
For the year ended 31 December 2016****15. Stocks**

| | 2016 £ | 2015 £ |
|-------------------------------------|------------------|------------------|
| Raw materials and consumables | 1,521,874 | 1,421,474 |
| Work in progress | 583,357 | 414,257 |
| Finished goods and goods for resale | 2,509,226 | 871,419 |
| | <u>4,614,457</u> | <u>2,707,150</u> |

Stock recognised in cost of sales during the year as an expense was £31,205,278 (2015: £35,283,517).

16. Debtors

| | 2016 £ | 2015 £ |
|--------------------------------|------------------|------------------|
| Trade debtors | 2,997,140 | 1,358,372 |
| Other debtors | 212,926 | 500,579 |
| Prepayments and accrued income | 72,150 | 58,568 |
| | <u>3,282,216</u> | <u>1,917,519</u> |

17. Cash and cash equivalents

| | 2016 £ | 2015 £ |
|--------------------------|------------------|------------------|
| Cash at bank and in hand | <u>1,520,152</u> | <u>3,909,584</u> |

18. Creditors: Amounts falling due within one year

| | 2016 £ | 2015 £ |
|---|------------------|------------------|
| Trade creditors | 3,429,372 | 3,216,232 |
| Amounts owed to group undertakings | 2,282,488 | 2,433,899 |
| Corporation tax | 145,888 | 5,015 |
| Other taxation and social security | 724,755 | 1,165,720 |
| Obligations under finance lease and hire purchase contracts | 17,291 | 16,248 |
| Other creditors | 173,746 | 375,180 |
| Accruals and deferred income | 1,633,899 | 917,443 |
| | <u>8,407,439</u> | <u>8,129,737</u> |

DENNISON TRAILERS LIMITED

**Notes to the financial statements
For the year ended 31 December 2016**

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

| | 2016 £ | 2015 £ |
|--|---------------|---------------|
| Net obligations under finance leases and hire purchase contracts | - | 17,291 |
| Grants | 39,315 | 40,438 |
| | <u>39,315</u> | <u>40,438</u> |

20. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

| | 2016 £ | 2015 £ |
|-------------------|---------------|---------------|
| Between 1-2 years | 17,706 | 35,412 |
| | <u>17,706</u> | <u>35,412</u> |

21. Financial instruments

| | 2016 £ | 2015 £ |
|---|------------------|------------------|
| Financial assets | | |
| Financial assets that are debt instruments measured at amortised cost | 3,210,065 | 1,858,951 |
| | <u>3,210,065</u> | <u>1,858,951</u> |
| Financial liabilities | | |
| Financial liabilities measured at amortised cost | 5,902,897 | 6,058,850 |
| | <u>5,902,897</u> | <u>6,058,850</u> |

Financial assets measured at amortised cost comprise trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, amounts owed to group undertakings and net obligations under hire purchase contracts.

22. Deferred taxation

| | 2016 £ |
|----------------------------|----------------|
| At beginning of year | 112,872 |
| Credited to profit or loss | 62,814 |
| At end of year | 175,686 |
| | <u>175,686</u> |

DENNISON TRAILERS LIMITED

Notes to the financial statements For the year ended 31 December 2016

22. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

| | 2016 £ | 2015 £ |
|--|----------------|----------------|
| Accelerated capital allowances | 186,076 | 124,484 |
| Tax losses carried forward | (4,644) | (11,612) |
| Short term timing differences | (404) | - |
| Change of tax rate on opening balances | (5,342) | - |
| | <u>175,686</u> | <u>112,872</u> |

23. Share capital

| | 2016 £ | 2015 £ |
|---|------------|------------|
| Shares classified as equity | | |
| Allotted, called up and fully paid | | |
| 100 Ordinary shares of £1 each | <u>100</u> | <u>100</u> |

Ordinary share rights.

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

24. Reserves

Non-distributable profit and loss account

Non-distributable profit and loss account represents the accumulated revaluation gains on investment properties held by the Company.

25. Exceptional items

As a result of localised floods in December 2015 the Company incurred damage to its property situated in Lancaster. The cost of this damage has been calculated as £765,285 and has formed the basis of an insurance claim of £612,228 made by the Company. An exceptional profit of £152,330 has been recognised in the profit and loss for the year ended 31 December 2016.

26. Contingent liabilities

The Company has contracted to repurchase trailers sold by it through finance houses to customers at the end of the finance period. There is a contingent liability to purchase trailers up to February 2024, up to a maximum of £1,057,000 (2015: £669,126). The directors are of the opinion that the trailers repurchased will have a value that is not materially different to the aforementioned contingent liability.

DENNISON TRAILERS LIMITED

Notes to the financial statements For the year ended 31 December 2016

27. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £31,631 (2015: £19,530). Contributions totalling £4,538 (2015: £2,684) were payable to the fund at the balance sheet date.

28. Commitments under operating leases

At 31 December 2016 the company had future minimum lease payments under non-cancellable operating leases as follows:

| | 2016 £ | 2015 £ |
|--|----------------|---------------|
| Not later than 1 year | 3,212 | 4,052 |
| Later than 1 year and not later than 5 years | 156,698 | 44,449 |
| | <u>159,910</u> | <u>48,501</u> |

29. Related party transactions

During the year the Company invoiced goods and services amounting to £1,721,871 (2015: £367,864) to Dennison Trailers Limited (IRL), it's parent company, and purchased goods and services amounting to £15,021,434 (2015: £16,060,630) from Dennison Trailers Limited (IRL). In addition the Company paid royalties amounting to £331,336 (2015: £215,871) to Dennison Trailers Limited (IRL), received management charges amounting to £Nil (2015: £Nil) and paid management charges amounting to £348,234 (2015: £206,687) to Dennison Trailers Limited (IRL). At the balance sheet date the Company owed £2,282,488 (2015: £2,433,899) to Dennison Trailers Limited (IRL).

30. Controlling party

The ultimate parent undertaking is Dennison Trailers Holdings, a company registered in Ireland.

The ultimate controlling party is in the current and prior year is Mr G T Dennison, by virtue of his majority shareholding in the ultimate parent company.

The results are consolidated in the financial statements of Dennison Trailers Holdings, a company registered in Ireland.