

Company Registration No. NI017855 (Northern Ireland)

**DENNISON TRAILERS LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**



# DENNISON TRAILERS LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr J C Dennison Mr D Dennison Ms J Dennison Mr G T Dennison Mr A Kinsella
<b>Secretary</b>	Ms J Dennison
<b>Company number</b>	NI017855
<b>Registered office</b>	Unit 1, Channel Wharf 21 Old Channel Road Belfast N Ireland BT3 9DE
<b>Auditor</b>	Baldwins Audit Services Fleet House New Road Lancaster Lancashire LA1 1EZ
<b>Business address</b>	Lansil Industrial Estate Caton Road Lancaster LA1 3PE

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# **DENNISON TRAILERS LIMITED**

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# DENNISON TRAILERS LIMITED

## STRATEGIC REPORT

**FOR THE YEAR ENDED 31 DECEMBER 2018**

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

### **Business review**

The Directors are satisfied with the company's performance and financial results in 2018.

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. The company will continue to monitor the potential impact of Brexit on economic conditions.

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.

On behalf of the board



Mr A Kinsella

Director

2/8/2019

# **DENNISON TRAILERS LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2018**

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

#### **Principal activities**

The principal activity of the company continued to be that of manufacture of semi-trailers and the sale of associated parts.

#### **Directors**

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

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

#### **Results and dividends**

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

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

#### **Qualifying third party indemnity provisions**

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

#### **Financial instruments**

The company holds or issues financial instruments in order to achieve three main objectives, being:

- (a) to finance its operations;
- (b) to manage its exposure to interest and currency risks arising from its operations and from its sources of finance; and
- (c) for trading purposes.

In addition, the company has various other financial assets and liabilities such as trade debtors and trade creditors arising directly from the company's operations.

Transactions in financial instruments result in the company assuming or transferring to another party one or more of the financial risks described below.

#### **Liquidity risk**

The company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the company has sufficient liquid resources to meet the operating needs of the business.

#### **Currency risk**

The company's principal foreign currency exposures arise from trading with overseas companies. The company seeks to invoice and be invoiced in its principal trading currency wherever possible so as to minimise its exposure to foreign currency movements.

# DENNISON TRAILERS LIMITED

## DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

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### **Credit risk**

Investments of cash surpluses and borrowings are made through banks and companies which must fulfil credit rating criteria approved by the board. All customers who wish to trade on credit terms are subject to credit verification procedures. Trade debtors are reviewed on a regular basis and provision is made for doubtful debts whenever considered necessary.

### **Auditor**

The auditor, Baldwins Audit Services (previously trading as CLB Coopers Audit Services), is 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 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 A Kinsella

Director

Date: 2/8/2019

# DENNISON TRAILERS LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF DENNISON TRAILERS LIMITED

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#### Opinion

We have audited the financial statements of Dennison Trailers Limited (the 'company') for the year ended 31 December 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 December 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 *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.

# DENNISON TRAILERS LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF DENNISON TRAILERS 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.

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.

*Baldwins Audit Services*

Susanna Cassey (Senior Statutory Auditor)  
for and on behalf of Baldwins Audit Services

*9 Aug '19*

Statutory Auditor

Fleet House  
New Road  
Lancaster  
Lancashire  
LA1 1EZ



# DENNISON TRAILERS LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £	2017 £
Turnover	3	43,094,869	35,863,132
Cost of sales		(39,340,306)	(32,052,245)
<b>Gross profit</b>		<b>3,754,563</b>	<b>3,810,887</b>
Administrative expenses		(3,458,234)	(3,395,797)
Other operating income		309,715	111,970
<b>Operating profit</b>	4	<b>606,044</b>	<b>527,060</b>
Interest receivable and similar income	7	22,464	10,980
Interest payable and similar expenses		-	(415)
<b>Profit before taxation</b>		<b>628,508</b>	<b>537,625</b>
Tax on profit	8	(129,622)	(88,901)
<b>Profit for the financial year</b>		<b>498,886</b>	<b>448,724</b>

# DENNISON TRAILERS LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2018

	Notes	2018 £	£	2017 £	£
<b>Fixed assets</b>					
Intangible assets	9	-		16,875	
Tangible assets	10	8,609,346		5,987,314	
		<u>8,609,346</u>		<u>6,004,189</u>	
<b>Current assets</b>					
Stocks	12	4,918,844		6,773,387	
Debtors	13	2,269,322		3,590,264	
Cash at bank and in hand		2,991,158		2,394,225	
		<u>10,179,324</u>		<u>12,757,876</u>	
<b>Creditors: amounts falling due within one year</b>	14	(11,000,168)		(11,456,478)	
<b>Net current (liabilities)/assets</b>			(820,844)		1,301,398
<b>Total assets less current liabilities</b>			<u>7,788,502</u>		<u>7,305,587</u>
<b>Creditors: amounts falling due after more than one year</b>	15		-		(38,192)
<b>Provisions for liabilities</b>	16		(200,015)		(177,794)
<b>Net assets</b>			<u>7,588,487</u>		<u>7,089,601</u>
<b>Capital and reserves</b>					
Called up share capital	19		100		100
Other reserves	20		600,000		600,000
Profit and loss reserves	21		6,988,387		6,489,501
<b>Total equity</b>			<u>7,588,487</u>		<u>7,089,601</u>

The financial statements were approved by the board of directors and authorised for issue on 2<sup>nd</sup> August 2019 and are signed on its behalf by:



Mr A Kinsella  
Director

Company Registration No. NI017855

# DENNISON TRAILERS LIMITED

## STATEMENT OF CHANGES IN EQUITY

**FOR THE YEAR ENDED 31 DECEMBER 2018**

	Share capital	Other reserves	Profit and loss reserves	Total
	£	£	£	£
<b>Balance at 1 January 2017</b>	100	-	6,640,777	6,640,877
<b>Year ended 31 December 2017:</b>				
Profit and total comprehensive income for the year	-	-	448,724	448,724
Transfers	-	600,000	(600,000)	-
<b>Balance at 31 December 2017</b>	100	600,000	6,489,501	7,089,601
<b>Year ended 31 December 2018:</b>				
Profit and total comprehensive income for the year	-	-	498,886	498,886
<b>Balance at 31 December 2018</b>	100	600,000	6,988,387	7,588,487

# DENNISON TRAILERS LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £	£	2017 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	27	3,727,362		1,619,906	
Interest paid		-		(415)	
Income taxes paid		(86,793)		(145,888)	
<b>Net cash inflow from operating activities</b>		<b>3,640,569</b>		<b>1,473,603</b>	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(3,118,361)		(593,219)	
Proceeds on disposal of tangible fixed assets		52,261		-	
Interest received		22,464		10,980	
<b>Net cash used in investing activities</b>		<b>(3,043,636)</b>		<b>(582,239)</b>	
<b>Financing activities</b>					
Payment of finance leases obligations		-		(17,291)	
<b>Net cash used in financing activities</b>		<b>-</b>		<b>(17,291)</b>	
<b>Net increase in cash and cash equivalents</b>		<b>596,933</b>		<b>874,073</b>	
Cash and cash equivalents at beginning of year		2,394,225		1,520,152	
<b>Cash and cash equivalents at end of year</b>		<b>2,991,158</b>		<b>2,394,225</b>	

# DENNISON TRAILERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 1 Accounting policies

##### Company information

Dennison Trailers Limited is a private company limited by shares incorporated in Northern Ireland and domiciled in England. The registered office is Unit 1, Channel Wharf, 21 Old Channel Road, Belfast, N Ireland, BT3 9DE and its principal place of business is Caton Road, Lancaster, LA1 3PQ.

##### 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 as modified by the revaluation of investment properties. The principal accounting policies adopted are set out below.

During the year management have identified certain costs to be reclassified from cost of sales to administrative expenses, in order to bring the statutory financial statements in line with management reporting. The comparative figures have been reclassified for consistency

##### 1.2 Going concern

At the time of approving the financial statements and notwithstanding the current liabilities of £820,844, 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 other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation 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:

Patents & licences

4 years straight line

##### 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.

# DENNISON TRAILERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2018

#### 1 Accounting policies

(Continued)

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 property	2% straight line
Leasehold property	Over the lease term
Plant and equipment	25% straight line
Trailer rental fleets	13% straight line
Motor vehicles	25% straight line

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 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.

#### 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.

# DENNISON TRAILERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

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### 1 Accounting policies

(Continued)

#### 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.

##### **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.

# DENNISON TRAILERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 1 Accounting policies

(Continued)

##### **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.

##### **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.

##### **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.



# DENNISON TRAILERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 1 Accounting policies

(Continued)

##### 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

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.

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.

##### 1.15 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 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.

##### 1.16 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

#### 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.

# DENNISON TRAILERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 3 Turnover and other revenue

	2018	2017
	£	£
<b>Other significant revenue</b>		
Interest income	22,464	10,980
Commissions received	14,103	7,428
Release of government grant	38,192	1,123
Rental income	257,420	103,419

	2018	2017
	£	£
<b>Turnover analysed by geographical market</b>		
United Kingdom	42,035,144	34,669,008
Rest of Europe	1,056,432	1,110,657
Rest of World	3,293	83,467
	<u>43,094,869</u>	<u>35,863,132</u>

### 4 Operating profit

	2018	2017
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange losses	1,284	11,592
Release of government grant	(38,192)	(1,123)
Fees payable to the company's auditor for the audit of the company's financial statements	13,250	12,840
Depreciation of owned tangible fixed assets	475,905	397,116
Depreciation of tangible fixed assets held under finance leases	-	15,906
Profit on disposal of tangible fixed assets	(31,837)	-
Amortisation of intangible assets	16,875	22,500
Cost of stocks recognised as an expense	37,096,911	30,189,869
Operating lease charges	56,602	38,777

### 5 Employees

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

	2018	2017
	Number	Number
Production	61	56
Administrative and sales	28	27
Management	1	1
	<u>90</u>	<u>84</u>

# DENNISON TRAILERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 5 Employees

(Continued)

Their aggregate remuneration comprised:

	2018 £	2017 £
Wages and salaries	2,670,868	2,510,685
Social security costs	271,048	251,474
Pension costs	48,927	40,708
	<u>2,990,843</u>	<u>2,802,867</u>

### 6 Directors' remuneration

	2018 £	2017 £
Remuneration for qualifying services	298,997	270,953
Company pension contributions to defined contribution schemes	3,360	3,360
	<u>302,357</u>	<u>274,313</u>

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2018 £	2017 £
Remuneration for qualifying services	<u>298,997</u>	<u>270,953</u>

### 7 Interest receivable and similar income

	2018 £	2017 £
Interest income		
Interest on bank deposits	<u>22,464</u>	<u>10,980</u>

### 8 Taxation

	2018 £	2017 £
Current tax		
UK corporation tax on profits for the current period	107,401	125,057
Adjustments in respect of prior periods	-	(38,264)
Total current tax	<u>107,401</u>	<u>86,793</u>

# DENNISON TRAILERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2018

#### 8 Taxation (Continued)

##### Deferred tax

Origination and reversal of timing differences	22,221	2,108
	<u>          </u>	<u>          </u>
Total tax charge	129,622	88,901
	<u>          </u>	<u>          </u>

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	628,508	537,625
	<u>          </u>	<u>          </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 19.25%)	119,417	103,493
Tax effect of expenses that are not deductible in determining taxable profit	9,500	7,866
Tax effect of income not taxable in determining taxable profit	(13,680)	-
Permanent capital allowances in excess of depreciation	3,375	1,376
Depreciation on assets not qualifying for tax allowances	16,999	14,496
Other non-reversing timing differences	60	(66)
Other permanent differences	(6,049)	-
Under/(over) provided in prior years	-	(38,264)
	<u>          </u>	<u>          </u>
Taxation charge for the year	129,622	88,901
	<u>          </u>	<u>          </u>

#### 9 Intangible fixed assets

	Patents & licences £
<b>Cost</b>	
At 1 January 2018 and 31 December 2018	90,000
	<u>          </u>
<b>Amortisation and impairment</b>	
At 1 January 2018	73,125
Amortisation charged for the year	16,875
	<u>          </u>
At 31 December 2018	90,000
	<u>          </u>
<b>Carrying amount</b>	
At 31 December 2018	-
	<u>          </u>
At 31 December 2017	16,875
	<u>          </u>

## DENNISON TRAILERS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

#### 10 Tangible fixed assets

	Freehold & leasehold property £	Investment property £	Plant and equipment £	Trailer rental fleets £	Motor vehicles £	Total £
<b>Cost</b>						
At 1 January 2018	4,752,090	800,000	2,191,096	650,875	221,758	8,615,819
Additions	1,914,512	-	721,369	439,375	43,105	3,118,361
Disposals	-	-	(131,075)	-	-	(131,075)
At 31 December 2018	6,666,602	800,000	2,781,390	1,090,250	264,863	11,603,105
<b>Depreciation and impairment</b>						
At 1 January 2018	650,823	-	1,733,418	97,561	146,703	2,628,505
Depreciation charged in the year	85,197	-	241,327	108,820	40,561	475,905
Eliminated in respect of disposals	-	-	(110,651)	-	-	(110,651)
At 31 December 2018	736,020	-	1,864,094	206,381	187,264	2,993,759
<b>Carrying amount</b>						
At 31 December 2018	5,930,582	800,000	917,296	883,869	77,599	8,609,346
At 31 December 2017	4,101,267	800,000	457,678	553,314	75,055	5,987,314

# DENNISON TRAILERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

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### 10 Tangible fixed assets (Continued)

The carrying value of land and buildings comprises:

	2018 £	2017 £
Freehold	5,894,258	4,054,538
Short leasehold	36,324	46,729
	<u>5,930,582</u>	<u>4,101,267</u>

### 11 Financial instruments

	2018 £	2017 £
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	<u>2,168,238</u>	<u>3,490,240</u>
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	<u>8,318,896</u>	<u>8,511,701</u>

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

Financial liabilities measured at amortised cost comprise trade creditors, other creditors and amounts owed to group undertakings.

### 12 Stocks

	2018 £	2017 £
Raw materials and consumables	1,559,313	1,078,380
Work in progress	495,561	835,401
Finished goods and goods for resale	2,863,970	4,859,606
	<u>4,918,844</u>	<u>6,773,387</u>

### 13 Debtors

	2018 £	2017 £
<b>Amounts falling due within one year:</b>		
Trade debtors	2,168,238	3,489,613
Other debtors	-	627
Prepayments	101,084	100,024
	<u>2,269,322</u>	<u>3,590,264</u>

# DENNISON TRAILERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2018

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

	2018 £	2017 £
Trade creditors	3,418,784	3,812,898
Amounts owed to group undertakings	4,724,318	4,490,219
Corporation tax	107,401	86,793
Other taxation and social security	1,061,483	410,481
Other creditors	175,794	208,584
Accruals and deferred income	1,512,388	2,447,503
	<u>11,000,168</u>	<u>11,456,478</u>

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

	2018 £	2017 £
Government grants	-	38,192
	<u>-</u>	<u>38,192</u>

#### 16 Provisions for liabilities

	Notes	2018 £	2017 £
Deferred tax liabilities	17	<u>200,015</u>	<u>177,794</u>

# DENNISON TRAILERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2018

#### 17 Deferred taxation

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

	<b>Liabilities 2018 £</b>	<b>Liabilities 2017 £</b>
<b>Balances:</b>		
Accelerated capital allowances	200,561	177,830
Short term timing differences	(546)	(36)
	<u>200,015</u>	<u>177,794</u>
<b>Movements in the year:</b>		<b>2018 £</b>
Liability at 1 January 2018		177,794
Charge to profit or loss		22,221
Liability at 31 December 2018		<u>200,015</u>

#### 18 Retirement benefit schemes

	<b>2018 £</b>	<b>2017 £</b>
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	<u>48,927</u>	<u>40,708</u>

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. Contributions totalling £6,911 (2017 - £5,851) were payable to the fund at the balance sheet date.

#### 19 Share capital

	<b>2018 £</b>	<b>2017 £</b>
<b>Ordinary share capital Issued and fully paid</b>		
100 Ordinary of £1 each	<u>100</u>	<u>100</u>

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



# DENNISON TRAILERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 20 Other reserves

Other reserves are distributable and represent funds that will be made available by the company to meet any cost in the event of a future flood.

These funds have been separately identified in the absence of suitable insurance.

### 21 Profit and loss reserves

At the balance sheet date the company had non-distributable reserves included within profit and loss reserves of £433,009 (2017: £433,009).

### 22 Financial commitments, guarantees and 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 January 2025, up to a maximum of £1,209,381 (2017- £1,057,000). The directors are of the opinion that the trailers repurchased will have a value that is not materially different to the aforementioned contingent liability.

### 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	44,084	1,824
Between two and five years	45,724	126,334
	<u>89,808</u>	<u>128,158</u>

#### Lessor

At the reporting end date the company had contracted with tenants for the following minimum lease payments:

	2018 £	2017 £
Within one year	177,000	177,000
Between two and five years	464,625	641,625
	<u>641,625</u>	<u>818,625</u>

# DENNISON TRAILERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 24 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2018 £	2017 £
Acquisition of tangible fixed assets	158,653	-

### 25 Related party transactions

#### Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Sales		Purchases	
	2018 £	2017 £	2018 £	2017 £
Entities with control, joint control or significant influence over the company	832,189	868,760	15,928,221	15,960,723
Other related parties	-	-	27,416	-

	Royalties paid		Management charges paid	
	2018 £	2017 £	2018 £	2017 £
Entities with control, joint control or significant influence over the company	321,811	201,910	285,982	341,542

The following amounts were outstanding at the reporting end date:

	2018 £	2017 £
<b>Amounts due to related parties</b>		
Entities with control, joint control or significant influence over the company	4,703,172	4,490,219
Other related parties	21,146	-

### 26 Ultimate controlling party

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

The ultimate controlling party 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.

# DENNISON TRAILERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

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### 27 Cash generated from operations

	2018 £	2017 £
Profit for the year after tax	498,886	448,724
<b>Adjustments for:</b>		
Taxation charged	129,622	88,901
Finance costs	-	415
Investment income	(22,464)	(10,980)
Gain on disposal of tangible fixed assets	(31,837)	-
Amortisation and impairment of intangible assets	16,875	22,500
Depreciation and impairment of tangible fixed assets	475,905	413,022
<b>Movements in working capital:</b>		
Decrease/(increase) in stocks	1,854,543	(2,158,930)
Decrease/(increase) in debtors	1,320,942	(308,048)
(Decrease)/increase in creditors	(515,110)	3,124,302
<b>Cash generated from operations</b>	<b>3,727,362</b>	<b>1,619,906</b>