

Teesside Transport Commercial Services Limited

Strategic Report, Report of the Directors and
Financial Statements
for the Year Ended 31 October 2018

“Registrar of Companies Copy”
Company No. 01029911

ANDERSON BARROWCLIFF LLP
Chartered Accountants

TUESDAY



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Teesside Transport Commercial Services
Limited (Registered number: 01029911)

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for the Year Ended 31 October 2018

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Teesside Transport Commercial Services
Limited

Company Information
for the Year Ended 31 October 2018

DIRECTORS:

R A Fox
D B Fox

REGISTERED OFFICE:

1a Bolckow Road
Grangetown
Middlesbrough
TS6 7BN

REGISTERED NUMBER:

01029911 (England and Wales)

AUDITORS:

Anderson Barrowcliff LLP
Statutory Auditor
Chartered Accountants
3 Kingfisher Court
Bowesfield Park
Stockton on Tees
TS18 3EX

BANKERS:

Barclays Bank Plc
Tees Corporate Banking Centre
PO Box 235
Teesdale Business Park
Stockton On Tees
TS17 6YJ

Teesside Transport Commercial Services
Limited (Registered number: 01029911)

Strategic Report
for the Year Ended 31 October 2018

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

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements and were considered to be satisfactory by the directors.

The company operates in a highly competitive industry which is facing a number of major challenges including driver shortages, global pressures on fuel prices, efficient vehicle utilisation and road congestion.

PRINCIPAL RISKS AND UNCERTAINTIES

The company supplies services to a wide range of customers within a number of diverse industry sectors. The directors believe that they have taken adequate steps to mitigate the risk and resulting problems of any over dependence on either a particular industry sector or major customer. The company closely monitors the performance levels of both drivers and vehicles to achieve the most efficient utilisation of vehicles.

KEY PERFORMANCE INDICATORS

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPI's is not necessary for an understanding of the development, performance or position of the entity and that all relevant financial information has been disclosed within the financial statements.

ON BEHALF OF THE BOARD:



.....
R A Fox - Director

Date: 30/5/2019

Teesside Transport Commercial Services
Limited (Registered number: 01029911)

Report of the Directors
for the Year Ended 31 October 2018

The directors present their report with the financial statements of the company for the year ended 31 October 2018.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of haulage contractors.

DIVIDENDS

An interim dividend of £12.53 per share was paid on 3 April 2018. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31 October 2018 will be £12,531.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 November 2017 to the date of this report.

R A Fox
D B Fox

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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), 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 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 AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

ON BEHALF OF THE BOARD:



R A Fox - Director

Date: 30/5/2019

Report of the Independent Auditors to the Members of
Teesside Transport Commercial Services
Limited

Opinion

We have audited the financial statements of Teesside Transport Commercial Services Limited (the 'company') for the year ended 31 October 2018 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 October 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other matters

The comparative figures for the financial year ended 31 October 2017 have not been audited because the company had no statutory requirement for an audit to be carried out.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of
Teesside Transport Commercial Services
Limited

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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 Statement of Directors' Responsibilities set out on page three, 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 necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors 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 www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors 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.

Helen Wilson FCA (Senior Statutory Auditor)
for and on behalf of Anderson Barrowcliff LLP
Statutory Auditor
Chartered Accountants
3 Kingfisher Court
Bowesfield Park
Stockton on Tees
TS18 3EX

31 May 2019

Teesside Transport Commercial Services
Limited (Registered number: 01029911)

Statement of Comprehensive Income
for the Year Ended 31 October 2018

| | Notes | 2018 £ | 2017 £ |
|--|-------|-----------------------|-----------------------|
| TURNOVER | | 7,059,514 | 7,003,543 |
| Cost of sales | | <u>5,168,041</u> | <u>5,105,053</u> |
| GROSS PROFIT | | 1,891,473 | 1,898,490 |
| Administrative expenses | | <u>1,532,345</u> | <u>1,239,261</u> |
| | | <u>359,128</u> | <u>659,229</u> |
| Other operating income | | <u>7,700</u> | <u>7,200</u> |
| | | <u>366,828</u> | <u>666,429</u> |
| Interest receivable and similar income | | <u>4,951</u> | <u>878</u> |
| | | <u>371,779</u> | <u>667,307</u> |
| Interest payable and similar expenses | 4 | <u>48,853</u> | <u>49,863</u> |
| PROFIT BEFORE TAXATION | 5 | 322,926 | 617,444 |
| Tax on profit | 6 | <u>64,626</u> | <u>113,954</u> |
| PROFIT FOR THE FINANCIAL YEAR | | 258,300 | 503,490 |
| OTHER COMPREHENSIVE INCOME | | <u>-</u> | <u>-</u> |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | | <u><u>258,300</u></u> | <u><u>503,490</u></u> |

The notes form part of these financial statements

**Teesside Transport Commercial Services
Limited (Registered number: 01029911)**

**Balance Sheet
31 October 2018**

| | Notes | 2018 £ | 2017 £ |
|--|-------|-------------------------|-------------------------|
| FIXED ASSETS | | | |
| Tangible assets | 8 | 2,575,030 | 2,407,464 |
| CURRENT ASSETS | | | |
| Stocks | 9 | 68,333 | 48,718 |
| Debtors | 10 | 1,584,769 | 1,223,758 |
| Cash at bank and in hand | | 1,755,747 | 1,748,151 |
| | | <u>3,408,849</u> | <u>3,020,627</u> |
| CREDITORS | | | |
| Amounts falling due within one year | 11 | <u>1,815,178</u> | <u>1,368,370</u> |
| NET CURRENT ASSETS | | <u>1,593,671</u> | <u>1,652,257</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>4,168,701</u> | <u>4,059,721</u> |
| CREDITORS | | | |
| Amounts falling due after more than one year | 12 | (662,567) | (807,356) |
| PROVISIONS FOR LIABILITIES | 15 | (200,000) | (192,000) |
| NET ASSETS | | <u><u>3,306,134</u></u> | <u><u>3,060,365</u></u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 16 | 1,000 | 1,000 |
| Retained earnings | 17 | <u>3,305,134</u> | <u>3,059,365</u> |
| SHAREHOLDERS' FUNDS | | <u><u>3,306,134</u></u> | <u><u>3,060,365</u></u> |

The financial statements were approved by the Board of Directors on 30/05/2019 and were signed on its behalf by:



R A Fox - Director

Teesside Transport Commercial Services
Limited (Registered number: 01029911)

Statement of Changes in Equity
for the Year Ended 31 October 2018

| | Called up share capital £ | Retained earnings £ | Total equity £ |
|-----------------------------------|------------------------------------|---------------------------|----------------------|
| Balance at 1 November 2016 | 1,000 | 2,568,406 | 2,569,406 |
| Changes in equity | | | |
| Dividends | - | (12,531) | (12,531) |
| Total comprehensive income | - | 503,490 | 503,490 |
| | <hr/> | <hr/> | <hr/> |
| Balance at 31 October 2017 | 1,000 | 3,059,365 | 3,060,365 |
| | <hr/> | <hr/> | <hr/> |
| Changes in equity | | | |
| Dividends | - | (12,531) | (12,531) |
| Total comprehensive income | - | 258,300 | 258,300 |
| | <hr/> | <hr/> | <hr/> |
| Balance at 31 October 2018 | <u>1,000</u> | <u>3,305,134</u> | <u>3,306,134</u> |

The notes form part of these financial statements

Teesside Transport Commercial Services
Limited (Registered number: 01029911)

Cash Flow Statement
for the Year Ended 31 October 2018

| | Notes | 2018 £ | 2017 £ |
|---|-------|-------------------------|-------------------------|
| Cash flows from operating activities | | | |
| Cash generated from operations | 1 | 1,096,723 | 1,196,981 |
| Interest element of hire purchase payments paid | | (48,853) | (49,863) |
| Tax paid | | (111,624) | (134,956) |
| Net cash from operating activities | | <u>936,246</u> | <u>1,012,162</u> |
| Cash flows from investing activities | | | |
| Purchase of tangible fixed assets | | (348,698) | (195,183) |
| Sale of tangible fixed assets | | 107,206 | 91,967 |
| Interest received | | 4,951 | 878 |
| Net cash from investing activities | | <u>(236,541)</u> | <u>(102,338)</u> |
| Cash flows from financing activities | | | |
| Capital repayments in year | | (684,578) | (573,433) |
| Amount introduced by directors | | - | 25 |
| Amount withdrawn by directors | | 5,000 | - |
| Equity dividends paid | | (12,531) | (12,531) |
| Net cash from financing activities | | <u>(692,109)</u> | <u>(585,939)</u> |
| Increase in cash and cash equivalents | | <u>7,596</u> | <u>323,885</u> |
| Cash and cash equivalents at beginning of year | 2 | <u>1,748,151</u> | <u>1,424,266</u> |
| Cash and cash equivalents at end of year | 2 | <u><u>1,755,747</u></u> | <u><u>1,748,151</u></u> |

The notes form part of these financial statements

Teesside Transport Commercial Services
Limited (Registered number: 01029911)

Notes to the Cash Flow Statement
for the Year Ended 31 October 2018

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

| | 2018 | 2017 |
|--|------------------|------------------|
| | £ | £ |
| Profit before taxation | 322,926 | 617,444 |
| Depreciation charges | 568,528 | 501,093 |
| Profit on disposal of fixed assets | (79,541) | (61,082) |
| Finance costs | 48,853 | 49,863 |
| Finance income | (4,951) | (878) |
| | <hr/> | <hr/> |
| | 855,815 | 1,106,440 |
| Increase in stocks | (19,615) | (10,263) |
| (Increase)/decrease in trade and other debtors | (361,011) | 13,014 |
| Increase in trade and other creditors | 621,534 | 87,790 |
| | <hr/> | <hr/> |
| Cash generated from operations | 1,096,723 | 1,196,981 |
| | <hr/> | <hr/> |

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 October 2018

| | 31.10.18 | 1.11.17. |
|---------------------------|-----------|-----------|
| | £ | £ |
| Cash and cash equivalents | 1,755,747 | 1,748,151 |
| | <hr/> | <hr/> |

Year ended 31 October 2017

| | 31.10.17 | 1.11.16 |
|---------------------------|-----------|-----------|
| | £ | £ |
| Cash and cash equivalents | 1,748,151 | 1,424,266 |
| | <hr/> | <hr/> |

The notes form part of these financial statements

**Teesside Transport Commercial Services
Limited (Registered number: 01029911)**

**Notes to the Financial Statements
for the Year Ended 31 October 2018**

1. STATUTORY INFORMATION

Teesside Transport Commercial Services Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value.

Turnover

Turnover is measured at the fair value of the consideration received or receivable net of VAT and trade discounts. The policies adopted for the recognition of turnover are as follows:

Rendering of services

When the outcome of a transaction can be estimated reliably, turnover from haulage is recognised by reference to the stage of completion at the balance sheet date. Stage of completion is measured by reference to completion of the job.

Where the outcome cannot be measured reliably, turnover is recognised only to the extent of the expenses recognised that are recoverable.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

| | |
|-----------------------|--------------------------------|
| Freehold property | - 10% on cost |
| Long leasehold | - over the period of the lease |
| Plant and machinery | - 10% on cost |
| Fixtures and fittings | - 25% on cost |
| Motor vehicles | - 10% -20% on cost |

Long leasehold fixed assets have not been depreciated as the asset is still under construction at the balance sheet date.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing stock to its present location and condition. Provision is made for damaged, obsolete and slow-moving stock where appropriate.

Teesside Transport Commercial Services
Limited (Registered number: 01029911)

Notes to the Financial Statements - continued
for the Year Ended 31 October 2018

2. ACCOUNTING POLICIES - continued

Tax

Current tax represents the amount of tax payable or receivable in respect of the taxable profit (or loss) for the current or past reporting periods. It is measured at the amount expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax represents the future tax consequences of transactions and events recognised in the financial statements of current and previous periods. It is recognised in respect of all timing differences, with certain exceptions. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expense in tax assessments in periods different from those in which they are recognised in the financial statements. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of timing differences. Deferred tax on revalued non-depreciable tangible fixed assets and investment properties is measured using the rates and allowances that apply to the sale of the asset.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

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

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss.

Teesside Transport Commercial Services
Limited (Registered number: 01029911)

Notes to the Financial Statements - continued
for the Year Ended 31 October 2018

2. ACCOUNTING POLICIES - continued

Provisions

Provisions are recognised when the company has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

Judgements and key sources of estimation uncertainty

In the application of the companies' accounting policies, which are described above, the directors are required to make judgements, estimates and assumptions about the carrying amounts 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3. EMPLOYEES AND DIRECTORS

| | 2018 | 2017 |
|-----------------------|------------------|------------------|
| | £ | £ |
| Wages and salaries | 2,572,579 | 2,599,513 |
| Social security costs | 208,650 | 208,818 |
| Other pension costs | 559,818 | 199,320 |
| | <u>3,341,047</u> | <u>3,007,651</u> |

The average number of employees during the year was as follows:

| | 2018 | 2017 |
|----------------|-----------|-----------|
| Drivers | 51 | 50 |
| Fitters | 4 | 4 |
| Administration | 19 | 17 |
| Cleaners | 1 | 1 |
| | <u>75</u> | <u>72</u> |

| | 2018 | 2017 |
|--|----------------|---------------|
| | £ | £ |
| Directors' remuneration | 127,996 | 157,867 |
| Directors' pension contributions to money purchase schemes | <u>162,349</u> | <u>55,349</u> |

4. INTEREST PAYABLE AND SIMILAR EXPENSES

| | 2018 | 2017 |
|---------------|---------------|---------------|
| | £ | £ |
| Hire purchase | <u>48,853</u> | <u>49,863</u> |

Teesside Transport Commercial Services
Limited (Registered number: 01029911)

Notes to the Financial Statements - continued
for the Year Ended 31 October 2018

5. PROFIT BEFORE TAXATION

The profit is stated after charging/(crediting):

| | 2018 | 2017 |
|--|-------------------|-------------------|
| | £ | £ |
| Vehicle & equipment leasing costs | 14,556 | 16,897 |
| Depreciation - owned assets | 89,009 | 75,122 |
| Depreciation - assets on hire purchase contracts | 479,519 | 425,971 |
| Profit on disposal of fixed assets | (79,541) | (61,082) |
| Auditors remuneration | 7,000 | - |
| | <u> </u> | <u> </u> |

6. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

| | 2018 | 2017 |
|--------------------------------------|-------------------|-------------------|
| | £ | £ |
| Current tax: | | |
| UK corporation tax | 57,000 | 112,000 |
| Adjustment in respect of prior years | (374) | (1,046) |
| | <u> </u> | <u> </u> |
| Total current tax | 56,626 | 110,954 |
| Deferred taxation | 8,000 | 3,000 |
| | <u> </u> | <u> </u> |
| Tax on profit | <u>64,626</u> | <u>113,954</u> |

UK corporation tax has been charged at 19%.

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

| | 2018 | 2017 |
|---|-------------------|-------------------|
| | £ | £ |
| Profit before tax | <u>322,926</u> | <u>617,444</u> |
| Profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 19.410%) | 61,356 | 119,846 |
| Effects of: | | |
| Expenses not deductible for tax purposes | 2,209 | 3,224 |
| Capital allowances in excess of depreciation | - | (8,468) |
| Depreciation in excess of capital allowances | 674 | - |
| Adjustments to tax charge in respect of previous periods | (374) | (1,046) |
| Overprovision in current year | 761 | 398 |
| | <u> </u> | <u> </u> |
| Total tax charge | <u>64,626</u> | <u>113,954</u> |

Teesside Transport Commercial Services
Limited (Registered number: 01029911)

Notes to the Financial Statements - continued
for the Year Ended 31 October 2018

7. DIVIDENDS

| | 2018 £ | 2017 £ |
|---------|---------------|---------------|
| Interim | <u>12,531</u> | <u>12,531</u> |

8. TANGIBLE FIXED ASSETS

| | Freehold property £ | Long leasehold £ | Plant and machinery £ |
|------------------------|--|---------------------------------|-----------------------------|
| COST | | | |
| At 1 November 2017 | 44,995 | - | 181,619 |
| Additions | - | 240,009 | - |
| At 31 October 2018 | <u>44,995</u> | <u>240,009</u> | <u>181,619</u> |
| DEPRECIATION | | | |
| At 1 November 2017 | 14,625 | - | 175,652 |
| Charge for year | 4,500 | - | 3,247 |
| Eliminated on disposal | - | - | - |
| At 31 October 2018 | <u>19,125</u> | <u>-</u> | <u>178,899</u> |
| NET BOOK VALUE | | | |
| At 31 October 2018 | <u>25,870</u> | <u>240,009</u> | <u>2,720</u> |
| At 31 October 2017 | <u>30,370</u> | <u>-</u> | <u>5,967</u> |
| | Fixtures and fittings £ | Motor vehicles £ | Totals £ |
| COST | | | |
| At 1 November 2017 | 88,288 | 5,123,985 | 5,438,887 |
| Additions | 275 | 523,475 | 763,759 |
| Disposals | - | (1,028,790) | (1,028,790) |
| At 31 October 2018 | <u>88,563</u> | <u>4,618,670</u> | <u>5,173,856</u> |
| DEPRECIATION | | | |
| At 1 November 2017 | 76,281 | 2,764,865 | 3,031,423 |
| Charge for year | 8,903 | 551,878 | 568,528 |
| Eliminated on disposal | - | (1,001,125) | (1,001,125) |
| At 31 October 2018 | <u>85,184</u> | <u>2,315,618</u> | <u>2,598,826</u> |
| NET BOOK VALUE | | | |
| At 31 October 2018 | <u>3,379</u> | <u>2,303,052</u> | <u>2,575,030</u> |
| At 31 October 2017 | <u>12,007</u> | <u>2,359,120</u> | <u>2,407,464</u> |

Teesside Transport Commercial Services
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Notes to the Financial Statements - continued
for the Year Ended 31 October 2018

8. TANGIBLE FIXED ASSETS - continued

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

| | Motor vehicles £ |
|-----------------------|------------------------|
| COST | |
| At 1 November 2017 | 3,059,910 |
| Additions | 409,595 |
| Transfer to ownership | (794,900) |
| | <hr/> |
| At 31 October 2018 | 2,674,605 |
| | <hr/> |
| DEPRECIATION | |
| At 1 November 2017 | 921,632 |
| Charge for year | 479,519 |
| Transfer to ownership | (543,091) |
| | <hr/> |
| At 31 October 2018 | 858,060 |
| | <hr/> |
| NET BOOK VALUE | |
| At 31 October 2018 | 1,816,545 |
| | <hr/> |
| At 31 October 2017 | 2,138,278 |
| | <hr/> |

Net obligations under finance leases and hire purchase contracts are secured on the assets acquired.

9. STOCKS

| | 2018 £ | 2017 £ |
|--------|-----------|-----------|
| Stocks | 68,333 | 48,718 |
| | <hr/> | <hr/> |

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2018 £ | 2017 £ |
|--------------------------------|-----------|-----------|
| Trade debtors | 1,112,696 | 1,067,295 |
| Other debtors | 350,972 | 121,927 |
| Prepayments and accrued income | 121,101 | 34,536 |
| | <hr/> | <hr/> |
| | 1,584,769 | 1,223,758 |
| | <hr/> | <hr/> |

**Teesside Transport Commercial Services
Limited (Registered number: 01029911)**

**Notes to the Financial Statements - continued
for the Year Ended 31 October 2018**

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2018 | 2017 |
|---------------------------------------|------------------|------------------|
| | £ | £ |
| Hire purchase contracts (see note 13) | 441,319 | 566,047 |
| Trade creditors | 752,482 | 314,958 |
| Taxation | 57,000 | 111,998 |
| Social security and other taxes | 40,479 | 40,209 |
| VAT | 176,819 | 121,262 |
| Other creditors | 8,896 | 7,334 |
| Directors' loan accounts | 5,000 | - |
| Accrued expenses | 333,183 | 206,562 |
| | <u>1,815,178</u> | <u>1,368,370</u> |

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | 2018 | 2017 |
|---------------------------------------|----------------|----------------|
| | £ | £ |
| Hire purchase contracts (see note 13) | <u>662,567</u> | <u>807,356</u> |

13. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

| | Hire purchase contracts 2018 | 2017 |
|----------------------------|---------------------------------|------------------|
| | £ | £ |
| Net obligations repayable: | | |
| Within one year | 441,319 | 566,047 |
| Between one and five years | 662,567 | 807,356 |
| | <u>1,103,886</u> | <u>1,373,403</u> |

| | Non-cancellable operating leases 2018 | 2017 |
|----------------------------|---|---------------|
| | £ | £ |
| Within one year | 15,947 | 10,326 |
| Between one and five years | 307 | 973 |
| | <u>16,254</u> | <u>11,299</u> |

At the balance sheet date, the company had contracted with tenants for the following future minimum lease payments:

| | 2018 | 2017 |
|--|--------------|--------------|
| | £ | £ |
| Within one year | 1,950 | 1,950 |
| In the second to fifth years inclusive | - | - |
| After five years | - | - |
| | <u>1,950</u> | <u>1,950</u> |

Teesside Transport Commercial Services
Limited (Registered number: 01029911)

Notes to the Financial Statements - continued
for the Year Ended 31 October 2018

14. SECURED DEBTS

The following secured debts are included within creditors:

| | 2018 £ | 2017 £ |
|-------------------------|------------------|------------------|
| Hire purchase contracts | <u>1,103,886</u> | <u>1,373,403</u> |

Net obligations under finance leases and hire purchase contain a fixed charge over the assets acquired.

15. PROVISIONS FOR LIABILITIES

| | 2018 £ | 2017 £ |
|---|----------------|---------------------|
| Deferred tax | | |
| Accelerated capital allowances | <u>200,000</u> | <u>192,000</u> |
| | | Deferred tax |
| | | £ |
| Balance at 1 November 2017 | | 192,000 |
| Charge to Statement of Comprehensive Income during year | | <u>8,000</u> |
| Balance at 31 October 2018 | | <u>200,000</u> |

16. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

| Number: | Class: | Nominal value: | 2018 £ | 2017 £ |
|---------|----------|----------------|--------------|--------------|
| 1,000 | Ordinary | £1 | <u>1,000</u> | <u>1,000</u> |

17. RESERVES

| | Retained earnings £ |
|---------------------|--------------------------------------|
| At 1 November 2017 | 3,059,365 |
| Profit for the year | 258,300 |
| Dividends | <u>(12,531)</u> |
| At 31 October 2018 | <u>3,305,134</u> |

Retained earnings

Retained earnings represents cumulative profits and losses net of dividends and other adjustments.

18. PENSION COMMITMENTS

The company operates two money purchase (defined contribution) pension schemes. The assets of the schemes are held separately in independently administered funds. The pension cost charge represents contributions payable by the company to the funds and amounted to £559,819 (2017: £199,320). At the year end an amount of £731 (2017: £343) was payable by the company.

**Teesside Transport Commercial Services
Limited (Registered number: 01029911)**

**Notes to the Financial Statements - continued
for the Year Ended 31 October 2018**

19. CAPITAL COMMITMENTS

| | 2018 | 2017 |
|---|-----------------------|-----------------------|
| | £ | £ |
| Contracted but not provided for in the financial statements | <u>560,000</u> | <u>189,850</u> |

20. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits subsisted during the years ended 31 October 2018 and 31 October 2017:

| | 2018 | 2017 |
|--------------------------------------|-----------------|------------------|
| | £ | £ |
| Balance outstanding at start of year | 25 | 25 |
| Amounts repaid | (25) | - |
| Amounts written off | - | - |
| Amounts waived | - | - |
| Balance outstanding at end of year | <u>-</u> | <u>25</u> |

No interest was charged on the above balances and were repayable on demand.