

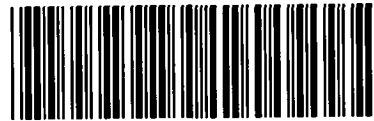
Registration number: 03093453

Wrings Transport Limited

Annual Report and Financial Statements

for the Year Ended 30 September 2018

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Wrings Transport Limited

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Wrings Transport Limited

Company Information

Directors

Mr S B Wring

Mr R D Wring

Registered office

Freshford House
Redcliffe Way
Bristol
BS1 6NL

Auditors

Milsted Langdon LLP
Chartered Accountants and Statutory Auditors
Freshford House
Redcliffe Way
Bristol
BS1 6NL

Wrings Transport Limited

Strategic Report for the Year Ended 30 September 2018

The Directors present their strategic report for the year ended 30 September 2018.

Fair review of the business

In 2018 the company has continued to be profitable, generating profits before tax of £719,625. The gross profit margin has managed to withstand the pressure of competition and the increasing fuel prices within the year, staying within the expected range at 27%.

The Company's key financial and other performance indicators during the year were as follows:

	Unit	2018	2017
Turnover (including other income)	£	6,797,027	6,475,019
Gross profit margin	%	27	29
Net profit before tax	£	719,625	563,397
Net profit margin	%	12	9
Shareholders funds	£	2,720,859	1,407,581

Principal risks and uncertainties

The company is exposed to risks as a result of the internal and external environment. The directors manage risks by monitoring the company continually and a summary of the more significant risks specific to the company's operations is outlined below:

Employee and skills

The recruitment and retention of employees with the requisite skills is a crucial factor in the achievement of the company's business plan. The company is committed to providing the necessary level of training and operational support for all its staff.

Incident management

The company where possible operates an electronic accident management system. This includes the installation of front facing cameras on fleet vehicles that assists in providing the information required to manage this risk and improve controls, both to reduce the number of events in the future and to mitigate the financial costs of past events.

Consumer confidence

The company provides a significant proportion of its services to UK retailers and therefore its volumes may therefore be subject to fluctuations due to changes in the level of consumer spending. Therefore the underlying nature of the products being delivered are subject to changes in the level of demand outside of the company's control. Whilst this risk cannot be mitigated entirely, through its systematic fleet programme, use of subcontracted drivers in addition to its own employed workforce, the company retains a significant level of flexibility in its resources to negate both short and medium term fluctuations in demand.

Fuel prices

Fuel represents a significant cost to the company and as a result, fluctuations in the price of fuel could have a large effect on the cost of operations. Management mitigate this risk by operating the terms of its contracts with respect to fuel escalators to ensure changes in fuel prices are reflected in the delivery fees charged.

Liquidity

There are financing facilities in place to support the planned activity and growth of the company. Management perform regular reviews of funding to ensure all financial requirements of the company are met.

Wrings Transport Limited

Strategic Report for the Year Ended 30 September 2018

Approved by the Board on 19-12-18 and signed on its behalf by:

Mr S B Wring
Director

Wrings Transport Limited

Directors' Report for the Year Ended 30 September 2018

The Directors present their report and the financial statements for the year ended 30 September 2018.

Directors of the Company

The Directors who held office during the year were as follows:

Mr S B Wring

Mr R D Wring

Principal activity

The principal activity of the company is road haulage.

Financial instruments

Objectives and policies

The Directors are responsible for monitoring financial risk. Appropriate policies have been developed and implemented to identify, evaluate and manage key risks.

Price risk, credit risk, liquidity risk and cash flow risk

Price risk - The company is exposed to price risk as a result of its operations. However, sales prices are constantly reviewed to ensure sales prices reflect any fluctuating prices within the market place i.e. fuel.

Credit risk - The company has a policy of credit checks on potential customers and credit limits are set on customer accounts which are reviewed regularly to include the backing of the HSBC credit limits in place using the invoice finance facility.

Liquidity and cash flow risk - The company maintains facilities that are designed to ensure the company has sufficient funds for operations and planned expenses.

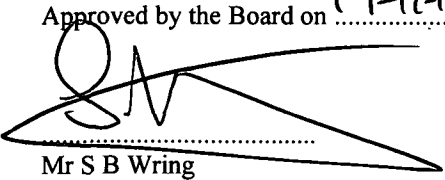
Disclosure of information to the auditors

Each Director has taken steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information. The Directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Reappointment of auditors

The auditors Milsted Langdon LLP are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approved by the Board on 19-12-18 and signed on its behalf by:


Mr S B Wring
Director

Wrings Transport Limited

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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

Wrings Transport Limited

Independent Auditor's Report to the Members of Wrings Transport Limited

Opinion

We have audited the financial statements of Wrings Transport Limited (the 'Company') for the year ended 30 September 2018, which comprise the Profit and Loss Account, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, 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 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 30 September 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.

Wrings Transport Limited

Independent Auditor's Report to the Members of Wrings Transport Limited

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

Matters on which we are required to report by exception

In the light of 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.

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, 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Wrings Transport Limited

Independent Auditor's Report to the Members of Wrings Transport Limited

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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

Milsted Langdon LLP.

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Mrs S R Jenkins (Senior Statutory Auditor)
For and on behalf of Milsted Langdon LLP, Statutory Auditor
Freshford House
Redcliffe Way
Bristol
BS1 6NL

Date: 21/12/18

Wrings Transport Limited

Profit and Loss Account for the Year Ended 30 September 2018

	Note	2018 £	2017 £
Turnover	3	6,080,419	5,980,760
Cost of sales		<u>(4,415,878)</u>	<u>(4,263,678)</u>
Gross profit		1,664,541	1,717,082
Administrative expenses		(1,417,787)	(1,409,061)
Other operating income		<u>529,942</u>	<u>322,760</u>
Operating profit	6	<u>776,696</u>	<u>630,781</u>
Other interest receivable and similar income	7	187	10
Interest payable and similar charges	8	<u>(57,258)</u>	<u>(67,394)</u>
		<u>(57,071)</u>	<u>(67,384)</u>
Profit before tax		719,625	563,397
Taxation	12	<u>(141,582)</u>	<u>(109,422)</u>
Profit for the financial year		<u>578,043</u>	<u>453,975</u>

The above results were derived from continuing operations.

The notes on pages 14 to 29 form an integral part of these financial statements.

Wrings Transport Limited

Statement of Comprehensive Income for the Year Ended 30 September 2018

	2018 £	2017 £
Profit for the year	<u>578,043</u>	<u>453,975</u>
Surplus/(deficit) on property, plant and equipment revaluation	867,083	-
Deferred tax on property, plant and equipment revaluation	<u>(35,848)</u>	<u>-</u>
	<u>831,235</u>	<u>-</u>
Total comprehensive income for the year	<u><u>1,409,278</u></u>	<u><u>453,975</u></u>

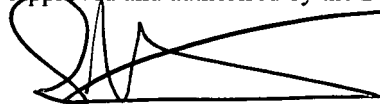
The notes on pages 14 to 29 form an integral part of these financial statements.

Wrings Transport Limited

(Registration number: 03093453)
Balance Sheet as at 30 September 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	13	4,851,736	3,616,819
Current assets			
Debtors	14	1,234,624	1,167,288
Cash at bank and in hand		355,276	82,866
		<u>1,589,900</u>	<u>1,250,154</u>
Creditors: Amounts falling due within one year	16	<u>(2,069,605)</u>	<u>(1,992,575)</u>
Net current liabilities		<u>(479,705)</u>	<u>(742,421)</u>
Total assets less current liabilities		4,372,031	2,874,398
Creditors: Amounts falling due after more than one year	16	(1,447,534)	(1,310,996)
Provisions for liabilities	17	<u>(203,638)</u>	<u>(155,821)</u>
Net assets		<u>2,720,859</u>	<u>1,407,581</u>
Capital and reserves			
Called up share capital	19	4	4
Capital redemption reserve	20	2	2
Revaluation reserve	20	831,235	-
Profit and loss account	20	<u>1,889,618</u>	<u>1,407,575</u>
Total equity		<u>2,720,859</u>	<u>1,407,581</u>

Approved and authorised by the Board on 19-12-18 and signed on its behalf by:



Mr S B Wring
Director

The notes on pages 14 to 29 form an integral part of these financial statements.

Wrings Transport Limited

Statement of Changes in Equity for the Year Ended 30 September 2018

	Revaluation reserve £	Share capital £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 October 2017	-	4	2	1,407,575	1,407,581
Profit for the year	-	-	-	578,043	578,043
Other comprehensive income	831,235	-	-	-	831,235
Total comprehensive income	831,235	-	-	578,043	1,409,278
Dividends	-	-	-	(96,000)	(96,000)
At 30 September 2018	831,235	4	2	1,889,618	2,720,859

	Share capital £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 October 2016	4	2	1,049,600	1,049,606
Profit for the year	-	-	453,975	453,975
Total comprehensive income	-	-	453,975	453,975
Dividends	-	-	(96,000)	(96,000)
At 30 September 2017	4	2	1,407,575	1,407,581

The notes on pages 14 to 29 form an integral part of these financial statements.

Wrings Transport Limited

Statement of Cash Flows for the Year Ended 30 September 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Profit for the year		578,043	453,975
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	6	432,262	517,098
Loss on disposal of tangible assets	5	10,633	1,706
Finance income	7	(187)	(10)
Finance costs	8	57,258	67,394
Income tax expense	12	141,582	109,422
		<u>1,219,591</u>	<u>1,149,585</u>
Working capital adjustments			
(Increase)/decrease in debtors	14	(67,336)	148,433
Increase in creditors	16	68,762	20,620
Cash generated from operations		1,221,017	1,318,638
Income taxes paid	12	(136,434)	(53,993)
Net cash flow from operating activities		<u>1,084,583</u>	<u>1,264,645</u>
Cash flows from investing activities			
Interest received	7	187	10
Acquisitions of tangible assets		(1,044,485)	(138,877)
Proceeds from sale of tangible assets		233,756	28,000
Net cash flows from investing activities		<u>(810,542)</u>	<u>(110,867)</u>
Cash flows from financing activities			
Interest paid	8	(15,321)	(14,664)
Repayment of bank borrowing		(50,386)	(51,349)
Repayment of other borrowing		(41,690)	(175,000)
Payments to finance lease creditors		271,457	(638,952)
Dividends paid	23	(96,000)	(96,000)
Net cash flows from financing activities		<u>68,060</u>	<u>(975,965)</u>
Net increase in cash and cash equivalents		342,101	177,813
Cash and cash equivalents at 1 October		<u>(501,245)</u>	<u>(679,058)</u>
Cash and cash equivalents at 30 September		<u>(159,144)</u>	<u>(501,245)</u>

The notes on pages 14 to 29 form an integral part of these financial statements.

Wrings-Transport Limited

Notes to the Financial Statements for the Year Ended 30 September 2018

1 General information

The company is a private company limited by share capital incorporated and domiciled in England & Wales.

The address of its registered office is:

Freshford House
Redcliffe Way
Bristol
BS1 6NL

The principal place of business is:

Units 3 & 5 Severn View Industrial Park
Central Avenue
Hallen
Bristol
South Gloucestershire
BS10 7SD
United Kingdom

These financial statements were authorised for issue by the Board on 19 December 2018.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

These financial statements have been prepared in compliance with Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value. The financial statements are prepared in Pounds Sterling, which is the functional currency of the company, and are rounded to the nearest pound.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

- the amount of revenue can be reliably measured;
- it is probable that future economic benefits will flow to the entity;
- specific criteria have been met for each of the company's activities;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably; and
- all of the significant risks and rewards of ownership have been transferred to the customer.

Other operating income

Other operating revenue is recognised on rental receipts on an accruals basis in line with the overall revenue recognition policy.

Wrings Transport Limited

Notes to the Financial Statements for the Year Ended 30 September 2018

Finance income and costs policy

Interest income and expenses are recognised using the effective interest rate method.

Foreign currency transactions and balances

a) Functional and presentational currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). The company's financial statements are presented in GBP, which is the company's functional and presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the date of the transactions or valuation where items are re-measured. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates prevailing at the statement of financial position date. Exchange movements on these are recognised in the income statement.

c) Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency (e.g. available-for-sale equity instruments) are translated using the exchange rates at the date when the fair value is determined.

Tax

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

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

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when 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 reporting date and that are expected to apply to the reversal of the timing difference, except for revalued land and investment property where the tax rate that applies to the sale of the asset is used.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Wrings Transport Limited

Notes to the Financial Statements for the Year Ended 30 September 2018

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Freehold land	Nil
Property improvements and legal fees	10% straight line and 15% reducing balance
Plant and machinery	15% and 20% reducing balance
Motor vehicles	20% reducing balance
Fixtures and fittings	25% straight line

Trade debtors

Trade debtors are amounts due from customers for services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Wrings Transport Limited

Notes to the Financial Statements for the Year Ended 30 September 2018

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the Company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3 Revenue

The analysis of the company's turnover from continuing operations for the year by market is as follows:

	2018 £	2017 £
UK	6,061,598	5,961,462
Europe	18,821	19,298
	<u>6,080,419</u>	<u>5,980,760</u>

4 Other operating income

The analysis of the company's other operating income for the year is as follows:

	2018 £	2017 £
Rental income	<u>529,942</u>	<u>322,760</u>

Wrings Transport Limited

Notes to the Financial Statements for the Year Ended 30 September 2018

5 Other gains and losses

The analysis of the company's other gains and (losses) for the year is as follows:

	2018 £	2017 £
(Loss) on disposal of property, plant and equipment	<u>(10,633)</u>	<u>(1,706)</u>

6 Operating profit

Arrived at after charging/(crediting):

	2018 £	2017 £
Depreciation expense	432,262	517,098
Operating lease expense - motor vehicles	115,843	33,897
Loss on disposal of tangible fixed assets.	<u>10,633</u>	<u>1,706</u>

7 Other interest receivable and similar income

	2018 £	2017 £
Interest income on bank deposits	<u>187</u>	<u>10</u>

8 Interest payable and similar charges

	2018 £	2017 £
Interest on obligations under finance leases and hire purchase contracts	41,937	52,730
Interest expense on other finance liabilities	-	306
Other finance costs	<u>15,321</u>	<u>14,358</u>
	<u>57,258</u>	<u>67,394</u>

Wrings Transport Limited

Notes to the Financial Statements for the Year Ended 30 September 2018

9 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2018 £	2017 £
Wages and salaries	2,304,106	2,169,480
Social security costs	210,425	192,900
Other short-term employee benefits	16,195	15,584
Pension costs, defined contribution scheme	49,688	33,164
	<u>2,580,414</u>	<u>2,411,128</u>

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2018 No.	2017 No.
Drivers	68	66
Administration and support	10	10
Management	4	4
	<u>82</u>	<u>80</u>

10 Directors' remuneration

The directors' remuneration for the year was as follows:

	2018 £	2017 £
Remuneration	34,967	34,967
Contributions paid to money purchase schemes	-	1,000
	<u>34,967</u>	<u>35,967</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2018 No.	2017 No.
Accruing benefits under money purchase pension scheme	<u>2</u>	<u>2</u>

11 Auditors' remuneration

	2018 £	2017 £
Audit of the financial statements	<u>9,400</u>	<u>8,900</u>
Other fees to auditors		
All other non-audit services	<u>9,886</u>	<u>3,851</u>

Wrings Transport Limited

Notes to the Financial Statements for the Year Ended 30 September 2018

12 Taxation

Tax charged/(credited) in the income statement

	2018 £	2017 £
Current taxation		
UK corporation tax	129,613	136,434
Deferred taxation		
Arising from origination and reversal of timing differences	11,969	(16,853)
Arising from changes in tax rates and laws	-	(10,159)
Total deferred taxation	<u>11,969</u>	<u>(27,012)</u>
Tax expense in the income statement	<u><u>141,582</u></u>	<u><u>109,422</u></u>

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2017 - the same as the standard rate of corporation tax in the UK) of 19% (2017 - 19.5%).

The differences are reconciled below:

	2018 £	2017 £
Profit before tax	<u>719,625</u>	<u>563,397</u>
Corporation tax at standard rate	136,729	109,862
Effect of expense not deductible in determining taxable profit/(tax loss)	6,835	3,044
UK deferred tax expense/(credit) relating to changes in tax rates or laws	(23,437)	2,478
Increase/(decrease) in UK and foreign current tax from adjustment for prior periods	-	(10,158)
Tax increase/(decrease) from effect of capital allowances and depreciation	4,113	4,196
Other tax effects for reconciliation between accounting profit and tax expense (income)	<u>17,342</u>	<u>-</u>
Total tax charge	<u><u>141,582</u></u>	<u><u>109,422</u></u>

Wrings Transport Limited

Notes to the Financial Statements for the Year Ended 30 September 2018

Deferred tax

Deferred tax assets and liabilities

2018

Revaluation of property, plant and equipment
Retirement benefit obligations
Accelerated capital allowances

Asset £	Liability £
-	35,848
1,261	-
-	169,051
<u>1,261</u>	<u>204,899</u>

2017

Revaluation of property, plant and equipment
Retirement benefit obligations
Accelerated capital allowances

Asset £	Liability £
-	-
454	-
-	156,275
<u>454</u>	<u>156,275</u>

Wrings Transport Limited

Notes to the Financial Statements for the Year Ended 30 September 2018

13 Tangible assets

	Freehold land, property improvements and legal fees £	Fixtures and fittings £	Motor vehicles £	Plant and machinery £	Total £
Cost					
At 1 October 2017	1,668,854	13,207	4,490,456	124,041	6,296,558
Revaluations	867,083	-	-	-	867,083
Additions	49,635	-	968,041	26,809	1,044,485
Disposals	-	-	(637,339)	(34,827)	(672,166)
At 30 September 2018	<u>2,585,572</u>	<u>13,207</u>	<u>4,821,158</u>	<u>116,023</u>	<u>7,535,960</u>
Depreciation					
At 1 October 2017	133,154	10,612	2,434,475	101,498	2,679,739
Charge for the year	27,233	608	399,266	5,155	432,262
Eliminated on disposal	-	-	(396,304)	(31,473)	(427,777)
At 30 September 2018	<u>160,387</u>	<u>11,220</u>	<u>2,437,437</u>	<u>75,180</u>	<u>2,684,224</u>
Carrying amount					
At 30 September 2018	<u>2,425,185</u>	<u>1,987</u>	<u>2,383,721</u>	<u>40,843</u>	<u>4,851,736</u>
At 30 September 2017	<u>1,535,700</u>	<u>2,595</u>	<u>2,055,981</u>	<u>22,543</u>	<u>3,616,819</u>

Included within the net book value of land and buildings above is £2,250,000 (2017 - £1,025,000) in respect of freehold land.

Wrings Transport Limited

Notes to the Financial Statements for the Year Ended 30 September 2018

Assets held under finance leases and hire purchase contracts

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	2018 £	2017 £
Motor vehicles	<u>2,115,060</u>	<u>1,680,656</u>

Restriction on title and pledged as security

Freehold land with a carrying amount of £2,250,000 (2017 - £1,025,000) has been pledged as security for the bank loan.

Motor vehicles with a carrying amount of £2,115,060 (2017 - £1,680,656) have been pledged as security for the hire purchase contracts.

14 Debtors

	2018 £	2017 £
Trade debtors	1,171,386	1,069,084
Other debtors	38,431	56,296
Prepayments	<u>24,807</u>	<u>41,908</u>
Total current trade and other debtors	<u>1,234,624</u>	<u>1,167,288</u>

15 Cash and cash equivalents

	2018 £	2017 £
Cash on hand	137	109
Cash at bank	<u>355,139</u>	<u>82,757</u>
	355,276	82,866
Bank overdrafts	<u>(514,420)</u>	<u>(584,111)</u>
Cash and cash equivalents in statement of cash flows	<u>(159,144)</u>	<u>(501,245)</u>

Wrings Transport Limited

Notes to the Financial Statements for the Year Ended 30 September 2018

16 Creditors

	Note	2018 £	2017 £
Due within one year			
Loans and borrowings	21	1,262,146	1,247,057
Trade creditors		451,000	292,777
Social security and other taxes		214,654	285,055
Outstanding defined contribution pension costs		7,419	4,421
Accruals		4,773	26,831
Income tax liability	12	<u>129,613</u>	<u>136,434</u>
		<u>2,069,605</u>	<u>1,992,575</u>
Due after one year			
Loans and borrowings	21	<u>1,447,534</u>	<u>1,310,996</u>

17 Deferred tax and other provisions

	Deferred tax £	Total £
At 1 October 2017	155,821	155,821
Increase/(decrease) in existing provisions	<u>47,817</u>	<u>47,817</u>
At 30 September 2018	<u>203,638</u>	<u>203,638</u>

18 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £49,688 (2017 - £33,164).

Contributions totalling £7,419 (2017 - £4,421) were payable to the scheme at the end of the year and are included in creditors.

Wrings Transport Limited

Notes to the Financial Statements for the Year Ended 30 September 2018

19 Share capital

Allotted, called up and fully paid shares

	2018		2017	
	No.	£	No.	£
Ordinary shares of £1 each	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>

Rights, preferences and restrictions

Ordinary shares have the following rights, preferences and restrictions:

Ordinary shares carry one voting right per share and the right to dividends.

Ordinary shares hold equal rights for capital distribution on winding up.

20 Reserves

Profit and loss

This reserve represents accumulated profit or losses made net of dividends or other distributions.

Capital redemption reserve

This reserve records the nominal value of shares repurchased by the company.

The changes to each component of equity resulting from items of other comprehensive income for the current year were as follows:

	Revaluation reserve £	Total £
Surplus/(deficit) on property, plant and equipment revaluation	867,083	867,083
Deferred tax on property, plant and equipment revaluation	<u>(35,848)</u>	<u>(35,848)</u>
	<u>831,235</u>	<u>831,235</u>

21 Loans and borrowings

	2018 £	2017 £
Non-current loans and borrowings		
Bank borrowings	649,635	697,021
Finance lease liabilities	750,791	582,177
Other borrowings	<u>47,108</u>	<u>31,798</u>
	<u>1,447,534</u>	<u>1,310,996</u>

Wrings Transport Limited

Notes to the Financial Statements for the Year Ended 30 September 2018

	2018 £	2017 £
Current loans and borrowings		
Bank borrowings	48,907	51,907
Bank overdrafts	514,420	584,111
Finance lease liabilities	680,819	536,039
Other borrowings	18,000	75,000
	<u>1,262,146</u>	<u>1,247,057</u>

Bank borrowings

Bank loans are denominated in GBP with a nominal interest rate of 1.6% over the bank's Base Rate, and the final instalment is due on 30 June 2030. The carrying amount at year end is £698,542 (2017 - £748,928).

The bank has a first legal charge over the freehold land, leasehold property and assets of the company. There is also a debenture in place.

Invoice financing is denominated in GBP with a nominal interest rate of 0.2% over the bank's Base Rate. The carrying amount at the year end is £514,420 (2017 - £584,111). The invoice finance is secured against the company's debtors book.

Other borrowings

A loan from a connected person with a carrying amount of £65,108 (2017 - £106,798) is denominated in GBP with a nominal interest rate of 0%. The final instalment was due on 31 March 2019.

The loan is unsecured. No adjustment has been made to the fair value of the loan as the difference between the fair value and its carrying value is immaterial.

Finance leases with a carrying amount of £1,431,610 (2017 - £1,118,216) are denominated in GBP with a range of nominal interest rates of 1% - 3.2%. The final instalments are due by 1 April 2023. The finance leases are secured against the assets to which they relate.

Included in the loans and borrowings are the following amounts due after more than five years:

	2018 £	2017 £
After more than five years by instalments	<u>405,099</u>	<u>437,485</u>

Bank loans and overdrafts after five years

Interest is paid on the bank loan at 1.6% over the bank's Base Rate.

Wrings Transport Limited

Notes to the Financial Statements for the Year Ended 30 September 2018

22 Obligations under leases and hire purchase contracts

Finance leases

The total of future minimum lease payments is as follows:

	2018	2017
	£	£
Not later than one year	680,819	536,039
Later than one year and not later than five years	750,791	582,177
	<u>1,431,610</u>	<u>1,118,216</u>

Operating leases

The total of future minimum lease payments is as follows:

	2018	2017
	£	£
Not later than one year	380,196	111,697
Later than one year and not later than five years	300,625	15,022
	<u>680,821</u>	<u>126,719</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £221,968 (2017 - £20,449).

Operating leases - lessor

The total of future minimum lease payments is as follows:

	2018	2017
	£	£
Not later than one year	<u>-</u>	<u>694,421</u>

The company leases out land to other haulage companies to allow them to park their vehicles. Contracts are usually entered into on an annual rolling basis, with the rent being charged dependent on the amount of space required by the tenant to park their vehicles.

23 Dividends

	2018	2017
	£	£
Interim dividend of £12,000 (2017 - £24,000) per ordinary share	<u>96,000</u>	<u>96,000</u>

24 Commitments

Capital commitments

The total amount contracted for but not provided in the financial statements was £105,600 (2017 - £Nil).

Wrings Transport Limited

Notes to the Financial Statements for the Year Ended 30 September 2018

25 Related party transactions

Key management compensation

	2018	2017
	£	£
Salaries and other short term employee benefits	34,697	34,967
Post-employment benefits	-	1,000
	<u>34,697</u>	<u>35,967</u>

Summary of transactions with other related parties

Shareholders

During the year a shareholder received a salary of £8,600 (2017 - £8,600).

Companies under common control

During the year the company rendered services from companies under common control.

Expenditure with and payables to related parties

	Key management	Other related parties
	£	£
2018		
Rendering of services	-	1,570
Dividends	72,000	-
	<u>72,000</u>	<u>1,570</u>
	Key management	Other related parties
	£	£
2017		
Rendering of services	-	1,570
Dividends	72,000	-
	<u>72,000</u>	<u>1,570</u>

Loans to related parties

	Other related parties
	£
2018	
At start of period	45,000
Repaid	(10,000)
At end of period	<u>35,000</u>
	Other related parties
	£
2017	
At start of period	95,549
Repaid	(50,549)
At end of period	<u>45,000</u>

Wrings Transport Limited

Notes to the Financial Statements for the Year Ended 30 September 2018

Terms of loans to related parties

The loan is interest free and repayable on demand.

Loans from related parties

2018

At start of period

Repaid

At end of period

Other related
parties
£

106,798

(41,690)

65,108

2017

At start of period

Repaid

At end of period

Other related
parties
£

181,798

(75,000)

106,798

Terms of loans from related parties

The loan is interest free and repayable in monthly instalments of £1,500.