

Company Registration No. 05919848 (England and Wales)

**FERGYTRUX LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2019**

# FERGYTRUX LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	A. Ferguson E. Ferguson H. Whitaker S. Whitaker
<b>Secretary</b>	H. Whitaker
<b>Company number</b>	05919848
<b>Registered office</b>	Northumberland Business Park West Cramlington Northumberland NE23 7RH
<b>Auditor</b>	Greaves West & Ayre 17 Walkergate Berwick-upon-Tweed Northumberland TD15 1DJ
<b>Bankers</b>	HSBC Bank Plc 110 Grey Street Newcastle upon Tyne Tyne and Wear NE1 6JG
<b>Solicitors</b>	O'Neill Richmonds 1-2 Lansdowne Terrace East Gosforth Newcastle upon Tyne NE3 1HL

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# FERGYTRUX LIMITED

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# **FERGYTRUX LIMITED**

## **STRATEGIC REPORT**

***FOR THE YEAR ENDED 30 SEPTEMBER 2019***

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The directors present the strategic report for the year ended 30 September 2019.

### **Fair review of the business**

The turnover in both of the main trading activities increased over the previous year with haulage increasing by 1.6% to £17,881,307 and warehousing by 4.2% to £4,338,289.

Brexit stockpiling has lead to increased warehousing activities and contributed towards a profit increase from £68,924 to £166,581.

Our Cramlington Workshop and Testing Station is now in its second year and we are seeing marked improvements in its performance.

### **Principal risks and uncertainties**

The nature of the business and the corporate strategy will always give rise to a number of risks and the board continue to review these, and respond accordingly.

#### **Fuel Costs**

Fuel represents a significant proportion of operating costs. These costs are monitored and passed on as fuel surcharges.

#### **Customer base**

The company has a well established and loyal customer base and is aware of the need to maintain a quality service to meet their world class demands.

#### **Availability of staff**

The industry employs an aging group of drivers and the take up of positions by younger recruits is always difficult. Our close relationship with driver training groups and apprentice schemes is assisting in this process.

#### **Credit risk**

The high quality of the customer base and the relationship the group has developed with them, coupled with robust credit check procedures, enable exposure to be managed.

### **Key performance indicators**

The group has developed key performance indicators and these are closely monitored and appropriate action taken where required to maintain the profitability of each of its activities.

#### **Weekly vehicle revenues earned**

Average fuel consumption for each vehicle

Vehicle maintenance costs and testing efficiency

Warehouse capacity and occupation levels

Income per square foot earned for storage

Relationship of main operating costs to turnover

On behalf of the board

A. Ferguson

**Director**

20 December 2019

# **FERGYTRUX LIMITED**

## **DIRECTORS' REPORT**

***FOR THE YEAR ENDED 30 SEPTEMBER 2019***

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The directors present their annual report and financial statements for the year ended 30 September 2019.

### **Principal activities**

The principal activity of the group continued to be that of logistical operations, comprising haulage, handling and storage.

The company acts as a holding company and has not traded during the year ended 30 September 2018. Investment income was received from its investment in its subsidiary.

The subsidiary undertakings principally affecting the profits and net assets of the group in the year are listed in the notes to the financial statements.

### **Directors**

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

A. Ferguson  
E. Ferguson  
H. Whitaker  
S. Whitaker

### **Results and dividends**

The results for the year are set out on page 8.

The directors have paid interim dividends amounting to £99,781 (2018 £99,781) in respect of the Ordinary shares.

The directors have paid interim dividends amounting to £19,200 (2018 £16,800) in respect of the 'B' Preference shares.

The directors do not recommend payment of any final dividends.

### **Disabled persons**

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every efforts it made to ensure that their employment with the group continues and that appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

### **Employee involvement**

The group places considerable value on the involvement of its employees and continues its practice of keeping them informed on matters affecting them as employees and on the various factors affecting the performance of the group.

### **Auditor**

The auditors, Greaves West and Ayre, will be proposed for reappointment in accordance with Section 485 of the Companies Act 2006.

### **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 auditor of the company 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 auditor of the company is aware of that information.

## **FERGYTRUX LIMITED**

### **DIRECTORS' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 30 SEPTEMBER 2019***

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On behalf of the board

A. Ferguson

**Director**

20 December 2019

## **FERGYTRUX LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 30 SEPTEMBER 2019***

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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 group and of the profit or loss of the group for that year. 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 the group, 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 the group, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# FERGYTRUX LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF FERGYTRUX LIMITED

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#### Opinion

We have audited the financial statements of Fergytrux Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 September 2019 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group 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 group's and the parent company's affairs as at 30 September 2019 and of the group's 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.

#### The impact of uncertainties on our audit due to the UK leaving the European Union

Uncertainties relating to the effects of the UK leaving the European Union are relevant to understanding our audit of the financial statements. All audits assess the reasonableness of estimates made by the directors and the appropriateness of the going concern basis of preparation of the financial statements. These depend upon assessments of the future economic environment and the company's prospects.

Leaving the EU is a significant economic event for the UK, and at the date of this report its effects are subject to various possible outcomes, with the full range of possible effects unknown. We have applied a standard firm wide approach in response to this uncertainty when assessing the company's future prospects. However, it is not possible to predict all of the possible effects on the company of the UK leaving the European Union.

#### 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 group's or the parent 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.

However, as we cannot predict all future events, in particular with regard to any possible effects arising from the UK leaving the European Union, the absence of a reference to a material uncertainty in this report is not a guarantee that the company will continue in operation.



# **FERGYTRUX LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF FERGYTRUX LIMITED**

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#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

# **FERGYTRUX LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF FERGYTRUX LIMITED**

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#### **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.

#### **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.

**Roseanne Bennett FCA (Senior Statutory Auditor)**  
for and on behalf of Greaves West & Ayre

23 December 2019

**Chartered Accountants**  
**Statutory Auditor**

17 Walkergate  
Berwick-upon-Tweed  
Northumberland  
TD15 1DJ

# FERGYTRUX LIMITED

## GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Notes	2019 £	2018 £
<b>Turnover</b>	<b>3</b>	22,219,597	21,742,813
Cost of sales		(18,662,047)	(18,439,953)
<b>Gross profit</b>		3,557,550	3,302,860
Administrative expenses		(3,207,225)	(3,061,648)
<b>Operating profit</b>	<b>4</b>	350,325	241,212
Interest receivable and similar income	<b>8</b>	37,840	34,974
Interest payable and similar expenses	<b>9</b>	(183,277)	(187,249)
<b>Profit before taxation</b>		204,888	88,937
Tax on profit	<b>10</b>	(38,307)	(20,013)
<b>Profit for the financial year</b>	<b>27</b>	166,581	68,924

Profit for the financial year is all attributable to the owners of the parent company.

The profit and loss account has been prepared on the basis that all operations are continuing operations.

## **FERGYTRUX LIMITED**

### **GROUP STATEMENT OF COMPREHENSIVE INCOME**

***FOR THE YEAR ENDED 30 SEPTEMBER 2019***

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	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Profit for the year</b>	166,581	68,924
<b>Other comprehensive income</b>	-	-
<b>Total comprehensive income for the year</b>	<u>166,581</u>	<u>68,924</u>

Total comprehensive income for the year is all attributable to the owners of the parent company.

# FERGYTRUX LIMITED

## GROUP BALANCE SHEET

AS AT 30 SEPTEMBER 2019

	Notes	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Tangible assets	12		5,176,861		5,433,765
<b>Current assets</b>					
Stocks	16	131,468		186,606	
Debtors	17	6,750,404		6,860,502	
Cash at bank and in hand		2		2	
		<u>6,881,874</u>		<u>7,047,110</u>	
<b>Creditors: amounts falling due within one year</b>	18	<u>(7,830,375)</u>		<u>(8,105,259)</u>	
<b>Net current liabilities</b>			(948,501)		(1,058,149)
<b>Total assets less current liabilities</b>			<u>4,228,360</u>		<u>4,375,616</u>
<b>Creditors: amounts falling due after more than one year</b>	19		(2,297,542)		(2,669,406)
<b>Provisions for liabilities</b>	22		(233,070)		(158,566)
<b>Deferred income</b>	23		(34,992)		(52,488)
<b>Net assets</b>			<u>1,662,756</u>		<u>1,495,156</u>
<b>Capital and reserves</b>					
Called up share capital	25		646,150		526,150
Share premium account	26		429,600		429,600
Profit and loss reserves	27		587,006		539,406
<b>Total equity</b>			<u>1,662,756</u>		<u>1,495,156</u>

The financial statements were approved by the board of directors and authorised for issue on 20 December 2019 and are signed on its behalf by:

A. Ferguson  
Director

## FERGYTRUX LIMITED

### COMPANY BALANCE SHEET

AS AT 30 SEPTEMBER 2019

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	Notes	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Investments	13	535,750		535,750	
		<u>535,750</u>		<u>535,750</u>	
<b>Capital and reserves</b>					
Called up share capital	25	106,150		106,150	
Share premium account	26	429,600		429,600	
		<u>429,600</u>		<u>429,600</u>	
<b>Total equity</b>		535,750		535,750	
		<u>535,750</u>		<u>535,750</u>	

The financial statements were approved by the board of directors and authorised for issue on 20 December 2019 and are signed on its behalf by:

A. Ferguson

**Director**

**Company Registration No. 05919848**

# FERGYTRUX LIMITED

## GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
<b>Balance at 1 October 2017</b>		526,150	429,600	587,063	1,542,813
<b>Year ended 30 September 2018:</b>					
Profit and total comprehensive income for the year		-	-	68,924	68,924
Dividends	11	-	-	(116,581)	(116,581)
<b>Balance at 30 September 2018</b>		526,150	429,600	539,406	1,495,156
<b>Year ended 30 September 2019:</b>					
Profit and total comprehensive income for the year		-	-	166,581	166,581
Issue of share capital	25	120,000	-	-	120,000
Dividends	11	-	-	(118,981)	(118,981)
<b>Balance at 30 September 2019</b>		646,150	429,600	587,006	1,662,756

# FERGYTRUX LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
<b>Balance at 1 October 2017</b>		106,150	429,600	-	535,750
<b>Year ended 30 September 2018:</b>					
Profit and total comprehensive income for the year		-	-	99,781	99,781
Dividends	11	-	-	(99,781)	(99,781)
<b>Balance at 30 September 2018</b>		106,150	429,600	-	535,750
<b>Year ended 30 September 2019:</b>					
Profit and total comprehensive income for the year		-	-	99,781	99,781
Dividends	11	-	-	(99,781)	(99,781)
<b>Balance at 30 September 2019</b>		106,150	429,600	-	535,750



# FERGYTRUX LIMITED

## GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

		2019	2018
	Notes	£	£
<b>Cash flows from operating activities</b>			
Cash generated from operations	34	1,580,850	1,485,946
Interest paid		(183,277)	(187,249)
Income taxes paid		(21,412)	(79,662)
<b>Net cash inflow from operating activities</b>		1,376,161	1,219,035
<b>Investing activities</b>			
Purchase of tangible fixed assets		(1,348,759)	(1,226,616)
Proceeds on disposal of tangible fixed assets		170,700	103,050
Interest received		37,840	34,974
<b>Net cash used in investing activities</b>		(1,140,219)	(1,088,592)
<b>Financing activities</b>			
Proceeds from issue of shares		120,000	-
Payment of finance leases obligations		(402,284)	(189,504)
Dividends paid to equity shareholders		(118,981)	(116,581)
<b>Net cash used in financing activities</b>		(401,265)	(306,085)
<b>Net decrease in cash and cash equivalents</b>		(165,323)	(175,642)
Cash and cash equivalents at beginning of year		(292,664)	(117,022)
<b>Cash and cash equivalents at end of year</b>		(457,987)	(292,664)
<b>Relating to:</b>			
Cash at bank and in hand		2	2
Bank overdrafts included in creditors payable within one year		(457,989)	(292,666)

# FERGYTRUX LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 30 SEPTEMBER 2019**

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### **1 Accounting policies**

#### **Company information**

Fergytrux Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Northumberland Business Park West, Cramlington, Northumberland, NE23 7RH.

The group consists of Fergytrux Limited and all of its subsidiaries.

#### **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, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 4 'Statement of Financial Position': Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £99,781 (2018 - £99,781 profit).

# FERGYTRUX LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

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### 1 Accounting policies

(Continued)

#### 1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

The consolidated financial statements incorporate those of Fergytrux Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 30 September 2019. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates. In the group financial statements, associates are accounted for using the equity method.

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. In the group financial statements, joint ventures are accounted for using the equity method.

#### 1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group 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.

#### 1.4 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.

# FERGYTRUX LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

### 1 Accounting policies

(Continued)

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.

#### 1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings, plant and machinery	Computer Equipment 20%-25% Straight Line	Fixtures and Fittings 15% Reducing
	Balance	Plant and Machinery 15%-25% Reducing
Motor vehicles	Trailers 15% Reducing	
	Balance	
	Balance	

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 recognised in the profit and loss account.

#### 1.6 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

# FERGYTRUX LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

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### 1 Accounting policies

(Continued)

#### 1.7 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible 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.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

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.

#### 1.8 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.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.9 Cash and cash equivalents

Cash and cash equivalents 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.

# FERGYTRUX LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

### 1 Accounting policies

(Continued)

#### 1.10 Financial instruments

The group 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 group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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 group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

# FERGYTRUX LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

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### 1 Accounting policies

(Continued)

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

#### 1.11 Equity instruments

Equity instruments issued by the group 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 group.

#### 1.12 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 group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

# FERGYTRUX LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

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### 1 Accounting policies

(Continued)

#### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### **1.13 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.

#### **1.14 Retirement benefits**

The pension costs charged in the financial statements represent the contribution payable by the group during the year.

The group operates a defined contribution pension scheme on behalf of the directors and certain employees. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £220,119 (2018 £106,124). Differences between contributions payable and contributions actually paid in the year are shown as either accruals or prepayments at the year end. At the year end contributions payable amounted to £1,343 (2018 £876).

#### **1.15 Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to 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 leased asset are consumed.



# FERGYTRUX LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

### 2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2019 £	2018 £
<b>Turnover analysed by class of business</b>		
Haulage	16,304,063	16,199,959
Warehousing	4,338,290	4,159,596
Fuel sales and other recharges	1,577,244	1,383,258
	<u>22,219,597</u>	<u>21,742,813</u>

	2019 £	2018 £
<b>Other significant revenue</b>		
Interest income	37,840	34,974
	<u>37,840</u>	<u>34,974</u>

	2019 £	2018 £
<b>Turnover analysed by geographical market</b>		
United Kingdom	<u>22,219,597</u>	<u>21,742,813</u>

### 4 Operating profit

	2019 £	2018 £
Operating profit for the year is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	520,520	544,267
Depreciation of tangible fixed assets held under finance leases	912,181	804,446
Loss on disposal of tangible fixed assets	2,261	48,719
Cost of stocks recognised as an expense	18,662,047	18,439,953
Operating lease charges	<u>1,745,967</u>	<u>1,836,301</u>

# FERGYTRUX LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

### 5 Auditor's remuneration

	2019 £	2018 £
Fees payable to the group's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	2,440	2,365
Audit of the company's subsidiaries	18,240	17,700
	<u>20,680</u>	<u>20,065</u>
<b>For other services</b>		
Taxation compliance and all other non-audit services	<u>4,812</u>	<u>10,198</u>

### 6 Employees

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

	2019 Number	2018 Number
Executive directors	4	5
Drivers, fitters and workshop staff	276	294
	<u>280</u>	<u>299</u>

Their aggregate remuneration comprised:

	2019 £	2018 £
Wages and salaries	7,667,746	7,776,604
Social security costs	716,280	710,882
Pension costs	220,119	106,124
	<u>8,604,145</u>	<u>8,593,610</u>

### 7 Directors' remuneration

	2019 £	2018 £
Remuneration for qualifying services	406,776	456,221
Company pension contributions to defined contribution schemes	20,404	20,400
	<u>427,180</u>	<u>476,621</u>

# FERGYTRUX LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

7	Directors' remuneration	(Continued)	
	Remuneration disclosed above includes the following amounts paid to the highest paid director:		
		2019	2018
		£	£
	Remuneration for qualifying services	111,723	135,734
	Company pension contributions to defined contribution schemes	10,000	10,000
8	Interest receivable and similar income	2019	2018
		£	£
	Interest income		
	Other interest income	37,840	34,974
9	Interest payable and similar expenses	2019	2018
		£	£
	Interest on financial liabilities measured at amortised cost:		
	Interest on bank overdrafts and loans	68,599	68,857
	Other finance costs:		
	Interest on finance leases and hire purchase contracts	114,678	118,392
	Total finance costs	183,277	187,249
10	Taxation	2019	2018
		£	£
	Current tax		
	UK corporation tax on profits for the current period	(36,197)	21,410
	Deferred tax		
	Origination and reversal of timing differences	74,504	(1,397)
	Total tax charge	38,307	20,013

# FERGYTRUX LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

### 10 Taxation

(Continued)

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:

	2019 £	2018 £
Profit before taxation	204,888	88,937
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	38,929	16,898
Tax effect of expenses that are not deductible in determining taxable profit	60	493
Permanent capital allowances in excess of depreciation	(31,412)	44,447
Other non-reversing timing differences	89	39
Other permanent differences	(43,863)	(40,467)
	74,504	(1,397)
Taxation charge	38,307	20,013

### 11 Dividends

	2019 £	2018 £
Interim paid	99,781	99,781

# FERGYTRUX LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

### 12 Tangible fixed assets

Group	Fixtures, fittings, plant and machinery £	Motor vehicles £	Total £
<b>Cost</b>			
At 1 October 2018	1,560,916	9,859,019	11,419,935
Additions	173,696	1,175,063	1,348,759
Disposals	(3,554)	(601,843)	(605,397)
At 30 September 2019	1,731,058	10,432,239	12,163,297
<b>Depreciation and impairment</b>			
At 1 October 2018	994,760	4,991,410	5,986,170
Depreciation charged in the year	179,849	1,252,852	1,432,701
Eliminated in respect of disposals	(3,554)	(428,882)	(432,436)
At 30 September 2019	1,171,055	5,815,380	6,986,435
<b>Carrying amount</b>			
At 30 September 2019	560,003	4,616,859	5,176,862
At 30 September 2018	566,156	4,867,609	5,433,765

The company had no tangible fixed assets at 30 September 2019 or 30 September 2018.

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

	Group 2019 £	2018 £	Company 2019 £	2018 £
Plant and machinery	35,958	53,922	-	-
Motor vehicles	3,943,498	3,809,489	-	-
	3,979,456	3,863,411	-	-

### 13 Fixed asset investments

	Notes	Group 2019 £	2018 £	Company 2019 £	2018 £
Investments in subsidiaries	14	-	-	535,750	535,750

# FERGYTRUX LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

### 13 Fixed asset investments (Continued)

Movements in fixed asset investments		Shares in group undertakings
Company		£
<b>Cost or valuation</b>		
At 1 October 2018 and 30 September 2019		535,750
<b>Carrying amount</b>		
At 30 September 2019		535,750
At 30 September 2018		535,750

### 14 Subsidiaries

Details of the company's subsidiaries at 30 September 2019 are as follows:

Name of undertaking and country of incorporation or residency		Nature of business	Class of shareholding	% Held	
				Direct	Indirect
Fergusons Transport Limited	England	Logistical operations	Ordinary & A Redeemable Preference Ordinary	100.00	
Redpath of Wooler Limited	England	Dormant			100.00

### 15 Financial instruments

	Group 2019 £	2018 £	Company 2019 £	2018 £
<b>Carrying amount of financial assets</b>				
Debt instruments measured at amortised cost	5,421,267	5,605,182	-	-
Equity instruments measured at cost less impairment	-	-	535,750	535,750
<b>Carrying amount of financial liabilities</b>				
Measured at amortised cost	9,260,768	10,030,540	-	-

### 16 Stocks

	Group 2019 £	2018 £	Company 2019 £	2018 £
Raw materials and consumables	131,468	186,606	-	-

# FERGYTRUX LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

### 17 Debtors

	Group 2019	2018	Company 2019	2018
	£	£	£	£
<b>Amounts falling due within one year:</b>				
Trade debtors	3,622,055	4,037,132	-	-
Corporation tax recoverable	36,197	-	-	-
Amounts due from associate undertakings	1,787,703	1,534,859	-	-
Other debtors	11,509	33,191	-	-
Prepayments and accrued income	1,292,939	1,255,320	-	-
	<u>6,750,403</u>	<u>6,860,502</u>	<u>-</u>	<u>-</u>

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

		Group 2019	2018	Company 2019	2018
	Notes	£	£	£	£
Bank loans and overdrafts	20	457,989	292,666	-	-
Obligations under finance leases	21	1,229,200	1,259,620	-	-
Trade creditors		2,093,575	2,176,845	-	-
Corporation tax payable		-	21,410	-	-
Other taxation and social security		867,149	722,715	-	-
Other creditors		2,051,400	2,593,552	-	-
Accruals and deferred income		1,131,062	1,038,451	-	-
		<u>7,830,375</u>	<u>8,105,259</u>	<u>-</u>	<u>-</u>

The directors consider that the carrying amount of trade creditors approximates to their fair value.

Other creditors include an amount of £1,967,515 (2018 £2,443,299) secured by a fixed charge over book debts.

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

		Group 2019	2018	Company 2019	2018
	Notes	£	£	£	£
Obligations under finance leases	21	<u>2,297,542</u>	<u>2,669,406</u>	<u>-</u>	<u>-</u>

The directors consider that the carrying amount of obligations under finance leases approximates to their fair value.

Amounts included above which fall due after five years are as follows:

Payable by instalments	<u>94,183</u>	<u>255,392</u>	<u>-</u>	<u>-</u>
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# FERGYTRUX LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

### 20 Loans and overdrafts

	Group 2019 £	2018 £	Company 2019 £	2018 £
Bank overdrafts	457,989	292,666	-	-
Payable within one year	457,989	292,666	-	-

The bank borrowings are secured by a full mortgage debenture and legal charges over the assets of the company.

### 21 Finance lease obligations

	Group 2019 £	2018 £	Company 2019 £	2018 £
Future minimum lease payments due under finance leases:				
Within one year	1,336,150	1,346,933	-	-
In two to five years	2,304,419	2,564,619	-	-
In over five years	95,368	261,393	-	-
	3,735,937	4,172,945	-	-
Less: future finance charges	(209,195)	(243,919)	-	-
	3,526,742	3,929,026	-	-

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 to 7 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

### 22 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2019 £	Liabilities 2018 £
Group		
Accelerated capital allowances	233,159	158,734
Other timing differences	(89)	(168)
	233,070	158,566

The company has no deferred tax assets or liabilities.



# FERGYTRUX LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

### 22 Deferred taxation (Continued)

	Group 2019 £	Company 2019 £
<b>Movements in the year:</b>		
Liability at 1 October 2018	158,566	-
Charge to profit or loss	74,504-	
Liability at 30 September 2019	233,070	-

The deferred tax liability set out above is not expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

### 23 Deferred income

	Group 2019 £	2018 £	Company 2019 £	2018 £
Other deferred income	34,992	52,488	-	-

Deferred income consists of an amount of income received which requires to be spread over future periods.

A lease incentive of £175,000 was received in 2011 and is being released to profit and loss account over the shorter of the lease term and a period ending on a date from which it is expected the prevailing market rental will be payable. At the year end the deferred balance was £34,992 (2018 £52,588) in respect of the lease incentive.

### 24 Retirement benefit schemes

	2019 £	2018 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	220,119	106,124

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

# **FERGYTRUX LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 SEPTEMBER 2019**

### **25 Share capital**

	<b>Group and company</b>	
	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
106,150 Ordinary shares of £1 each	106,150	106,150
	<u>          </u>	<u>          </u>
<b>Preference share capital</b>		
<b>Issued and fully paid</b>		
540,000 'B' Preference of £1 each	540,000	420,000
	<u>          </u>	<u>          </u>

The company has one class of ordinary shares which carry no right to fixed income.

The 540,000 'B' preference shares are limited to £1 on winding up and are non-voting. The shares are redeemable at the company's option at some future date. The shares are entitled to a maximum annual dividend rate of 4% of nominal value and are paid at the discretion of the company.

### **Reconciliation of movements during the year:**

	<b>'B' Preference Number</b>
At 1 October 2018	420,000
Issue of fully paid shares	120,000
	<u>          </u>
At 30 September 2019	540,000
	<u>          </u>

On the 28 May 2019 the group issued an additional 120,000 'B' preference shares. These carry the same rights as the existing shares in issue.

### **26 Share premium account**

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At beginning and end of year	429,600	429,600	429,600	429,600
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

Share premium relates to a premium paid for the ordinary share capital of Fergusons Transport Limited. There have been no changes in share premium in the year.

# FERGYTRUX LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

### 27 Profit and loss reserves

	Group 2019 £	2018 £	Company 2019 £	2018 £
At the beginning of the year	539,406	587,063	-	-
Profit for the year	166,581	68,924	99,781	99,781
Dividends	(118,981)	(116,581)	(99,781)	(99,781)
At the end of the year	587,006	539,406	-	-

### 28 Financial commitments, guarantees and contingent liabilities

The group is party to a multilateral guarantee given by Fergusons Blyth Limited, Fergusons Transport Limited, Fergytrux Limited and Fergyprops Limited to secure the bank borrowings of the Fergusons group of companies.

### 29 Operating lease commitments

#### Lessee

Operating lease payments represent rentals payable by the group for certain items of plant and machinery, motor vehicles and property. Leases are negotiated for an average term of 3-5 years. All renewals must be agreed with the Lessor.

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2019 £	2018 £	Company 2019 £	2018 £
	<b>Restated</b>			
Within one year	1,283,113	1,457,984	-	-
Between two and five years	3,708,041	4,065,877	-	-
In over five years	2,867,000	3,745,000	-	-
	7,858,154	9,268,861	-	-

### 30 Capital commitments

Amounts contracted for but not provided in the financial statements:

	Group 2019 £	2018 £	Company 2019 £	2018 £
Acquisition of tangible fixed assets	425,950	-	-	-

# FERGYTRUX LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

### 31 Related party transactions

#### Transactions with related parties

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

	Sale of goods		Purchase of goods	
	2019	2018	2019	2018
	£	£	£	£
<b>Group</b>				
Entities with control, joint control or significant influence over the group	211,403	139,547	2,111,844	1,995,215
Key management personnel	1,839	16,574	49,862	-
Other related parties	1,619	1,584	272,128	266,135
	<u>214,861</u>	<u>157,705</u>	<u>2,433,834</u>	<u>2,261,350</u>

The following amounts were outstanding at the reporting end date:

#### Amounts owed to related parties

	2019	2018
	£	£
Entities with control, joint control or significant influence over the group	385,506	386,912
Key management personnel	205	-
Other related parties	82,950	81,313
	<u>468,661</u>	<u>468,225</u>

The following amounts were outstanding at the reporting end date:

#### Amounts owed by related parties

	2019	2018
	£	£
Entities with control, joint control or significant influence over the company	8,706	194
Key management personnel	-	228
	<u>-</u>	<u>228</u>

The company is party to the multilateral guarantee detailed in note 28. The guarantee secures the bank borrowings of this company, its subsidiary and other companies with joint control over the company.

# FERGYTRUX LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

### 31 Related party transactions

(Continued)

'Other Related Parties' consists of transactions with a Small Self Administered Pension Scheme controlled by certain directors of this company. Transactions mainly consist of rent payable in respect of property owned by the pension scheme. During 2011, the company received a £175,000 lease incentive on the signing of a new 10 year lease for a property owned by the Small Self Administered Pension Scheme. This is being released to the profit and loss account as detailed in note 23.

At the year end, an unsecured loan of £1,787,703 (2018 £1,536,859 ) was owed by an entity under joint control. There are no fixed terms of repayment and interest is payable at 2% above UK base rate. During the year, interest of £37,703(2018 £34,859) was receivable on this loan.

There are no provisions against any of the year-end recoverable amounts from related parties.

All transactions were conducted on an arms-length basis with no discounts applied. All amounts are unsecured unless otherwise stated.

### 32 Directors' transactions

Within this company, ordinary dividends totalling £99,781 (2018 £99,781) were paid in the year in respect of shares held by the company's directors.

Within a subsidiary, preference dividends totalling £16,590 (2018 £15,590) were paid in the year in respect of shares held by the company's directors.

### 33 Controlling party

Mr. A. Ferguson, a director of the company, and members of his close family, control the entity as a result of controlling directly or indirectly 100% of the issued share capital of ultimate parent company.

### 34 Cash generated from group operations

	2019 £	2018 £
Profit for the year after tax	166,581	68,924
Adjustments for:		
Taxation charged	38,307	20,013
Finance costs	183,277	187,249
Investment income	(37,840)	(34,974)
Loss on disposal of tangible fixed assets	2,262	48,719
Depreciation and impairment of tangible fixed assets	1,432,701	1,348,713
(Decrease) in deferred income	(17,496)	(17,496)
Movements in working capital:		
Decrease/(increase) in stocks	55,138	(31,348)
Decrease/(increase) in debtors	146,296	(77,690)
(Decrease) in creditors	(388,377)	(26,164)
<b>Cash generated from operations</b>	<b>1,580,849</b>	<b>1,485,946</b>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.