

Registration number: 01018080

C Sparks & Sons Limited

Annual report and financial statements

for the year ended 31 July 2015

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C Sparks & Sons Limited

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C Sparks & Sons Limited
Strategic report for the year ended 31 July 2015

The directors present their strategic report for the year ended 31 July 2015.

Business review

Fair review of the business

The results for the company show a pre-tax profit of £174,125 (2014 - £147,916).

The directors are satisfied with the trading for the year, which has shown a 18% increase in profit before tax.

The road haulage industry is extremely competitive, but the company constantly reviews its markets and operations to maximise its position in the marketplace and to maintain its effectiveness.

Given the straightforward nature of the business, the directors are of the opinion that analysis using key performance indicators, other than those already disclosed in the financial statements, is not necessary for an understanding of the development, performance or position of the business.

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

	Unit	2015	2014
Gross profit	£	1,544,905	1,315,323
Profit before taxation	£	174,125	147,916

Principal risks and uncertainties

The company's financial performance is directly impacted by fluctuations in the price of fuel as one of the major direct costs of the haulage industry. In order to manage this risk the company strives to ensure that all journeys made are chargeable and the increase in the price of fuel is passed on to customers. The company's financial performance is also affected by the economic environment. In order to manage this risk the company is concentrating on reducing costs where possible so as to deliver a competitively priced and quality service.

Approved by the board on 21/3/16 and signed on its behalf by:


A C Sparks
Director

C Sparks & Sons Limited

Directors' report for the year ended 31 July 2015

The directors present their report and the financial statements for the year ended 31 July 2015.

Directors of the company

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

J D Sparks

S A Sparks

A C Sparks

Financial instruments

Objectives and policies

The company's financial instruments comprise cash at bank, a current asset investment, overdraft and hire purchase. The main purpose of these financial instruments is to raise adequate finance for the company's operations.

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

Price risk

The company is exposed to fuel price risk. The company manages its exposure to fuel price risk by ensuring the supplier used is the best value supplier at the time and continuously reviewing suppliers so their prices are always up to date.

Credit risk

The company has implemented policies that require appropriate credit checks on potential customers before sales are made. Credit customers are subject to limits which are determined by the directors.

Liquidity risk

The company maintains an overdraft facility, when required, and holds other funds in order to maintain sufficient funds available for ongoing operations and planned future developments.

Future developments

The company intends to maintain its good relationships with customers and suppliers and capitalise on its strong reputation in order to secure further increases in both turnover and profit.

Disclosure of information to the auditor

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 auditor is aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditor is unaware of.

Approved by the board on 2/3/16 and signed on its behalf by:


A C Sparks
Director

C Sparks & Sons 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; 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.

Independent auditors' report to the members of C Sparks & Sons Limited

We have audited the financial statements of C Sparks & Sons Limited for the year ended 31 July 2015, set out on pages 6 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of directors' responsibilities (set out on page 3), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

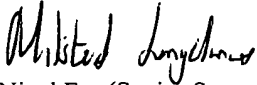
**Independent auditors' report to the members of
C Sparks & Sons Limited**

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Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Mr Nigel Fry (Senior Statutory Auditor)
For and on behalf of
Milsted Langdon LLP
Chartered Accountants and Statutory Auditors
Winchester House
Deane Gate Avenue
TA1 2UH

8 March 2016

C Sparks & Sons Limited
Profit and loss account for the year ended 31 July 2015

	Note	2015 £	2014 £
Turnover	2	16,787,955	16,904,285
Cost of sales		<u>(15,243,050)</u>	<u>(15,588,962)</u>
Gross profit		1,544,905	1,315,323
Administrative expenses		(1,277,556)	(1,137,073)
Other operating income		<u>39,399</u>	<u>17,329</u>
Operating profit	3	306,748	195,579
Income from other fixed asset investments		60,791	55,435
Other interest receivable and similar income	6	16	-
Interest payable and similar charges	7	<u>(193,430)</u>	<u>(103,098)</u>
Profit on ordinary activities before taxation		174,125	147,916
Tax on profit on ordinary activities	8	<u>(36,502)</u>	<u>(34,979)</u>
Profit for the financial year	18	<u><u>137,623</u></u>	<u><u>112,937</u></u>

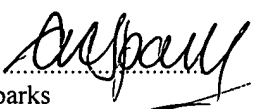
Turnover and operating profit derive wholly from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

C Sparks & Sons Limited
(Registration number: 01018080)
Balance sheet at 31 July 2015

	Note	2015 £	2014 £
Fixed assets			
Tangible fixed assets	9	<u>5,545,516</u>	<u>4,595,846</u>
Current assets			
Stocks	10	141,181	129,580
Debtors	11	3,457,951	3,382,032
Investments	12	1,123,322	1,062,531
Cash at bank and in hand		<u>123,612</u>	<u>885</u>
		<u>4,846,066</u>	<u>4,575,028</u>
Creditors: amounts falling due within one year	13	<u>(3,768,719)</u>	<u>(3,997,476)</u>
Net current assets		<u>1,077,347</u>	<u>577,552</u>
Total assets less current liabilities		<u>6,622,863</u>	<u>5,173,398</u>
Creditors: amounts falling due after more than one year	14	(3,525,635)	(2,185,152)
Provisions for liabilities	15	<u>(250,515)</u>	<u>(214,013)</u>
Net assets		<u>2,846,713</u>	<u>2,774,233</u>
Capital and reserves			
Called up share capital	16	90,000	90,000
Other reserves	18	160,000	160,000
Profit and loss account	18	<u>2,596,713</u>	<u>2,524,233</u>
Shareholders' funds	19	<u>2,846,713</u>	<u>2,774,233</u>

Approved and authorised for issue by the board on 2/3/16 and signed on its behalf by:


A C Sparks
Director

C Sparks & Sons Limited

Notes to the financial statements for the year ended 31 July 2015

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention, except for the revaluation of current asset investments.

The company is exempt from preparing a cash flow statement as 90% or more of the voting rights are held within the group.

Going concern

The financial statements have been prepared on a going concern basis.

Turnover

Turnover represents amounts chargeable, net of value added tax, in respect of the provision of services to customers.

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation rate and method
Leasehold property improvements	5% straight line
Plant and machinery	15% reducing balance
Fixtures and fittings	25% straight line and 20% reducing balance
Motor vehicles	20% - 25% reducing balance or over the life of the lease

Current asset investments

Current asset investments are included at market value. Revaluations are recognised in the profit and loss account in the period that the asset has been revalued.

Stock

Stock is valued at the lower of cost and net realisable value.

Deferred tax

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date.

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date.

Foreign currency

Transactions in foreign currencies are recorded at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the closing rates at the balance sheet date. All exchange differences are included in the profit and loss account.

C Sparks & Sons Limited

Notes to the financial statements for the year ended 31 July 2015

..... continued

Hire purchase and leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

Assets held under finance leases or hire purchase agreements are capitalised as tangible fixed assets and are depreciated over the shorter of the lease term and their useful lives. The capital element of future finance payments is included within creditors. Finance charges are allocated to accounting periods over the length of the contract and represent a constant proportion of the balance of capital repayments outstanding.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Pensions

The company operates a defined contribution pension scheme. Contributions are recognised in the profit and loss account in the period in which they become payable in accordance with the rules of the scheme.

2 Turnover

During the year 0.3% of the company's turnover related to exports (2014 - 0.63%).

An analysis of turnover by geographical location is given below:

	2015 £	2014 £
Sales - UK	16,738,420	16,798,385
Sales - Europe	49,535	105,900
	<u>16,787,955</u>	<u>16,904,285</u>

3 Operating profit

Operating profit is stated after charging:

	2015 £	2014 £
Operating leases - plant and machinery	368,268	499,416
Operating leases - other assets	18,415	860
Auditor's remuneration - The audit of the company's annual accounts	9,115	9,115
Foreign currency gains	(1,321)	(36)
Loss/(profit) on sale of tangible fixed assets	95,005	(1,746)
Depreciation of owned assets	95,752	181,358
Depreciation of assets held under finance lease and hire purchase contracts	<u>845,654</u>	<u>577,810</u>

C Sparks & Sons Limited

Notes to the financial statements for the year ended 31 July 2015

..... continued

4 Particulars of employees

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

	2015 No.	2014 No.
Administration and support	24	22
Other departments	110	102
	<u>134</u>	<u>124</u>

The aggregate payroll costs were as follows:

	2015 £	2014 £
Wages and salaries	3,640,926	3,175,303
Social security costs	362,697	309,083
Staff pensions	36,353	16,015
	<u>4,039,976</u>	<u>3,500,401</u>

5 Directors' remuneration

The directors' remuneration for the year was as follows:

	2015 £	2014 £
Remuneration (including benefits in kind)	44,409	27,490
Company contributions paid to money purchase schemes	<u>7,000</u>	<u>7,000</u>

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

	2015 No.	2014 No.
Accruing benefits under money purchase pension scheme	<u>1</u>	<u>1</u>

6 Other interest receivable and similar income

	2015 £	2014 £
Other interest receivable	<u>16</u>	<u>-</u>

C Sparks & Sons Limited

Notes to the financial statements for the year ended 31 July 2015

..... continued

7 Interest payable and similar charges

	2015 £	2014 £
Interest on bank borrowings	-	196
Other interest payable	-	3
Finance charges	193,430	102,899
	<u>193,430</u>	<u>103,098</u>

8 Taxation

Tax on profit on ordinary activities

	2015 £	2014 £
Current tax		
Corporation tax credit	-	(3,551)
Deferred tax		
Origination and reversal of timing differences	36,502	38,530
Total tax on profit on ordinary activities	<u>36,502</u>	<u>34,979</u>

Factors affecting current tax charge for the year

Tax on profit on ordinary activities for the year is lower than (2014 - lower than) the standard rate of corporation tax in the UK of 20% (2014 - 20%).

The differences are reconciled below:

	2015 £	2014 £
Profit on ordinary activities before taxation	<u>174,125</u>	<u>147,916</u>
Corporation tax at standard rate	34,825	29,583
Capital allowances in excess of depreciation	(55,311)	(60,936)
Short term timing differences	916	-
Expenses not deductible for tax purposes	2,162	5,396
Tax losses carried forward	<u>17,408</u>	<u>22,406</u>
Total current tax	<u>-</u>	<u>(3,551)</u>

C Sparks & Sons Limited

Notes to the financial statements for the year ended 31 July 2015

..... continued

9 Tangible fixed assets

	Leasehold property improvements £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost or valuation					
At 1 August 2014	-	249,679	181,198	8,062,078	8,492,955
Additions	10,674	71,134	37,987	2,146,554	2,266,349
Disposals	-	-	-	(1,412,862)	(1,412,862)
At 31 July 2015	10,674	320,813	219,185	8,795,770	9,346,442
Depreciation					
At 1 August 2014	-	189,295	135,484	3,572,330	3,897,109
Charge for the year	266	14,866	30,574	895,700	941,406
Eliminated on disposals	-	-	-	(1,037,589)	(1,037,589)
At 31 July 2015	266	204,161	166,058	3,430,441	3,800,926
Net book value					
At 31 July 2015	10,408	116,652	53,127	5,365,329	5,545,516
At 31 July 2014	-	60,384	45,714	4,489,748	4,595,846

Leased assets

Included within the net book value of tangible fixed assets is £5,035,978 (2014 - £3,771,976) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £845,654 (2014 - £577,810).

10 Stock

	2015 £	2014 £
Finished goods	141,181	129,580

C Sparks & Sons Limited

Notes to the financial statements for the year ended 31 July 2015

..... continued

11 Debtors

	2015 £	2014 £
Trade debtors	3,038,042	2,975,224
Other debtors	1,247	16,881
Prepayments and accrued income	418,662	389,927
	<u>3,457,951</u>	<u>3,382,032</u>

12 Current asset investments

	2015 £	2014 £
Other investments	<u>1,123,322</u>	<u>1,062,531</u>

13 Creditors: amounts falling due within one year

	2015 £	2014 £
Trade creditors	2,020,304	2,219,205
Bank overdraft	-	153,750
Obligations under finance lease and hire purchase contracts	1,091,397	962,233
Other taxes and social security	382,827	245,786
Other creditors	9,447	8,437
Directors' current accounts	64,995	115,543
Accruals and deferred income	199,749	292,522
	<u>3,768,719</u>	<u>3,997,476</u>

C Sparks & Sons Limited

Notes to the financial statements for the year ended 31 July 2015

..... *continued*

Creditors: amounts falling due within one year includes the following liabilities on which security has been given by the company:

	2015 £	2014 £
Obligations under finance lease and hire purchase contracts	<u>1,091,397</u>	<u>962,233</u>

The liability is secured over the assets under the finance lease or hire purchase agreement.

14 Creditors: amounts falling due after more than one year

	2015 £	2014 £
Obligations under finance lease and hire purchase contracts	<u>3,525,635</u>	<u>2,185,152</u>

Creditors: amounts falling due after more than one year includes the following liabilities on which security has been given by the company:

	2015 £	2014 £
Obligations under finance lease and hire purchase contracts	<u>3,525,635</u>	<u>2,185,152</u>

The liability is secured over the assets under the finance lease or hire purchase agreement.

Included in creditors are the following amounts due after more than five years:

	2015 £	2014 £
After more than five years by instalments	<u>196,614</u>	<u>46,939</u>

The obligation under finance lease and hire purchase contracts due after more than 5 years are repayable by equal monthly instalments. Interest is charged on the obligations under finance lease and hire purchase contracts due after more than 5 years at 4%.

C Sparks & Sons Limited

Notes to the financial statements for the year ended 31 July 2015

..... continued

Obligations under finance leases and HP contracts

Amounts repayable:

	2015 £	2014 £
In one year or less on demand	1,091,397	1,962,233
Between two and five years	3,329,021	2,138,213
After more than five years by instalments	196,614	46,939
	<u>4,617,032</u>	<u>3,147,385</u>

15 Provisions for liabilities

	Deferred tax £	Total £
At 1 August 2014	214,013	214,013
Charged to the profit and loss account	<u>36,502</u>	<u>36,502</u>
At 31 July 2015	<u>250,515</u>	<u>250,515</u>

Analysis of deferred tax

	2015 £	2014 £
Difference between accumulated depreciation and amortisation and capital allowances	291,783	236,419
Other timing differences	<u>(41,268)</u>	<u>(22,406)</u>
	<u>250,515</u>	<u>214,013</u>

16 Share capital

Allotted, called up and fully paid shares

	No.	2015 £	No.	2014 £
Ordinary shares of £1 each	<u>90,000</u>	<u>90,000</u>	<u>90,000</u>	<u>90,000</u>

C Sparks & Sons Limited

Notes to the financial statements for the year ended 31 July 2015

..... continued

17 Dividends

	2015 £	2014 £
Dividends paid		
Current year interim dividend paid	<u>65,143</u>	<u>94,183</u>

18 Reserves

	Other reserves £	Profit and loss account £	Total £
At 1 August 2014	160,000	2,524,233	2,684,233
Profit for the year	-	137,623	137,623
Dividends	-	(65,143)	(65,143)
At 31 July 2015	<u>160,000</u>	<u>2,596,713</u>	<u>2,756,713</u>

19 Reconciliation of movement in shareholders' funds

	2015 £	2014 £
Profit attributable to the members of the company	137,623	112,937
Dividends	<u>(65,143)</u>	<u>(94,183)</u>
Net addition to shareholders' funds	72,480	18,754
Shareholders' funds at 1 August	<u>2,774,233</u>	<u>2,755,479</u>
Shareholders' funds at 31 July	<u>2,846,713</u>	<u>2,774,233</u>

20 Pension 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 £36,353 (2014 - £16,015).

Contributions totalling £4,579 (2014 - (£346)) were payable to the scheme at the end of the year and are included in creditors.

C Sparks & Sons Limited

Notes to the financial statements for the year ended 31 July 2015

..... *continued*

21 Commitments

Operating lease commitments

As at 31 July 2015 the company had annual commitments under non-cancellable operating leases as follows:

Operating leases which expire:

	2015	2014
	£	£
Other		
Within one year	174,822	151,746
Within two and five years	208,617	96,445
	<u>383,439</u>	<u>248,191</u>

22 Related party transactions

Other related party transactions

During the year the company entered into the following related party transactions:

A C Sparks

(Director)

During the year A C Sparks made an interest free loan to the company. At the balance sheet date the amount due to A C Sparks was £60,005 (2014 - £100,191).

J D Sparks

(Director)

During the year J D Sparks made an interest free loan to the company. At the balance sheet date the amount due to J D Sparks was £4,990 (2014 - £15,352).

The company has taken advantage of the exemption in FRS8 "Related Party Disclosures" from disclosing transactions with other members of the group.

23 Control

The company is controlled by C Sparks & Sons Holdings Limited. The ultimate holding company is C Sparks & Sons Holdings Limited, a company incorporated in England and Wales. Copies of the ultimate holding company's financial statements may be obtained from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ. The ultimate controlling party is the directors who, together with their close families and Trust in which they have an interest, own 100% of the holding company's issued share capital.