

REGISTERED NUMBER: 03431352 (England and Wales)

C & O TRACTORS LIMITED
STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

Hopper Williams & Bell Limited
Statutory Auditor
Chartered Accountants
Highland House
Mayflower Close
Chandler's Ford
Eastleigh
Hampshire
SO53 4AR

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FOR THE YEAR ENDED 31 MARCH 2018**

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C & O TRACTORS LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2018**

DIRECTORS:	A G Coles Ms S Finlay R Spencer
SECRETARY:	Mrs L R Coles
REGISTERED OFFICE:	Blandford Heights Blandford Dorset DT11 7TF
REGISTERED NUMBER:	03431352 (England and Wales)
SENIOR STATUTORY AUDITOR:	David Brookes FCA
AUDITORS:	Hopper Williams & Bell Limited Statutory Auditor Chartered Accountants Highland House Mayflower Close Chandler's Ford Eastleigh Hampshire SO53 4AR
BANKERS:	HSBC Bank plc 165 High Street Southampton Hampshire SO14 2NZ

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2018**

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

REVIEW OF BUSINESS

The results for the company show a pre-tax loss of £73k (2017: pre-tax profit £42k) for the year and sales of £20.8 million (2017: £30.2 million).

Strategy

The company's overriding objective is to achieve sustainable growth and increase the profitability of the company through:

- Offering a comprehensive and attractive product range of reliable machines
- Offering an excellent aftersales experience
- Improving efficiency and optimising the company's assets

Future Outlook

The commercial environment is expected to remain competitive in 2018 and 2019 but the uncertainty of the impact that Brexit will have on British markets is likely to introduce an element of conservatism around capital expenditure on high ticket items.

The change of supplier to Massey Ferguson from 24th April 2017 has been positive for the company. This change will continue to allow the company to work alongside a supportive main brand that wants its dealers to be successful, and can provide our customers with the after sales experience they demand.

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2018**

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the execution of the company's strategy are subject to a number of risks. Risks are formally reviewed by the board and appropriate processes put in place to monitor and mitigate them. The key business risks affecting the company are set out below:

Competition

The marketplace that the company operates in is highly competitive, particularly around pricing. This adversely impacts margins making efficiency vital to producing profitable results. C&O Tractors had spent 20 years building up a strong network of dealerships and loyal customers. With the move to Massey Ferguson, there was a risk of losing customers and the risk faced from competitors. However, customers are proving to be loyal to the C&O brand and the company's market share is continuing to increase.

The company continues in to the new financial year with a feeling of positivity and the opportunity to progress and build upon the solid foundations of the existing business. The board feel strongly that Massey Ferguson are a business partner who will enable and encourage growth and will give the level of support required during this transition period and beyond.

Employees

The company's performance depends largely on its managers and staff. The resignation of key individuals and the inability to recruit people with the right experience and skills could adversely affect the company's results. To mitigate these issues the company has an induction programme for all employees with the opportunity to benefit from industry specific training of a high standard.

Liquidity

The company continuously monitors its liquidity and cashflow and a key element of this is the monitoring of stock levels to ensure that working capital is not unnecessarily tied up in stock. Cashflow is closely managed, with stocks of used machinery and aged parts turned into cash.

Key performance indicators ("KPIs")

The board monitors progress on the overall strategy and the individual strategic elements by reference to our Key Performance Indicators (KPI's)

Performance during the year, together with historical trend data is set out in the table below:

	2018	2017	Definition, method of calculation
Turnover	£20.8m	£30.2m	The company's turnover has reduced as a result of it closing one of its branches in December 2017. This branch was primarily servicing a New Holland hire contract and the decision was taken by the board to close the branch, streamline its operations and to focus on the sale of Massey Ferguson machinery.
Gross Margin (%)	10.24%	7.07%	Gross margin is the ratio of gross profit before exceptional items expressed as a percentage. The move to Massey Ferguson as the main supplier, has brought about improved gross margins. We anticipate similar gross margin levels in 2019.

ON BEHALF OF THE BOARD:

A G Coles - Director

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2018**

23 November 2018

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2018**

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

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the buying, retailing and servicing of agricultural machinery and associated parts.

DIVIDENDS

An interim dividend of £3.50 per share was paid on the Ordinary B £1 shares on 31 March 2018. No dividends were paid on any other classes of shares.

The total distribution of dividends for the year ended 31 March 2018 was £35,000 (2017: £30,000).

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

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

A G Coles
Ms S Finlay
R Spencer

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2018**

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

ON BEHALF OF THE BOARD:

A G Coles - Director

23 November 2018

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF C & O TRACTORS LIMITED

Opinion

We have audited the financial statements of C & O Tractors Limited (the 'company') for the year ended 31 March 2018 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

Our opinion on the financial statements does not cover the other information and 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, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF C & O TRACTORS LIMITED

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page five, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

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

David Brookes FCA (Senior Statutory Auditor)
for and on behalf of Hopper Williams & Bell Limited
Statutory Auditor
Chartered Accountants
Highland House
Mayflower Close
Chandler's Ford
Eastleigh
Hampshire
SO53 4AR

7 December 2018

**INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2018**

		2018	2017
		£	as restated £
	Notes		
TURNOVER		20,844,810	30,223,194
Cost of sales		<u>(18,711,014)</u>	<u>(28,086,847)</u>
GROSS PROFIT		2,133,796	2,136,347
Distribution costs		(60,576)	(59,362)
Administrative expenses		<u>(2,144,982)</u>	<u>(2,031,831)</u>
		(71,762)	45,154
Other operating income		<u>18,558</u>	15,643
OPERATING (LOSS)/PROFIT	4	(53,204)	60,797
Interest receivable and similar income		<u>29,079</u>	20,195
		(24,125)	80,992
Interest payable and similar expenses	5	<u>(49,355)</u>	(39,230)
(LOSS)/PROFIT BEFORE TAXATION		(73,480)	41,762
Tax on (loss)/profit	6	<u>11,293</u>	(12,302)
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		<u>(62,187)</u>	<u>29,460</u>

The notes form part of these financial statements

**OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2018**

		2018	2017
	Notes	£	as restated £
(LOSS)/PROFIT FOR THE YEAR		(62,187)	29,460
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME		-	-
FOR THE YEAR		(62,187)	29,460

BALANCE SHEET
31 MARCH 2018

		2018	2017
		£	as restated £
FIXED ASSETS	Notes		
Tangible assets	9	607,697	761,369
CURRENT ASSETS			
Stocks	10	4,821,250	5,577,045
Debtors	11	4,056,771	8,828,372
Cash at bank and in hand		6,222	2,249
		<u>8,884,243</u>	<u>14,407,666</u>
CREDITORS			
Amounts falling due within one year	12	(6,698,161)	(12,317,175)
NET CURRENT ASSETS		<u>2,186,082</u>	<u>2,090,491</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,793,779	2,851,860
CREDITORS			
Amounts falling due after more than one year	13	(135,672)	(105,526)
PROVISIONS FOR LIABILITIES	17	(66,262)	(57,302)
NET ASSETS		<u>2,591,845</u>	<u>2,689,032</u>
CAPITAL AND RESERVES			
Called up share capital	18	270,000	270,000
Retained earnings		2,321,845	2,419,032
SHAREHOLDERS' FUNDS		<u>2,591,845</u>	<u>2,689,032</u>

The financial statements were approved by the Board of Directors on 23 November 2018 and were signed on its behalf by:

A G Coles - Director

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2016	270,000	2,419,572	2,689,572
Changes in equity			
Dividends	-	(30,000)	(30,000)
Total comprehensive income	-	29,460	29,460
Balance at 31 March 2017	<u>270,000</u>	<u>2,419,032</u>	<u>2,689,032</u>
Changes in equity			
Dividends	-	(35,000)	(35,000)
Total comprehensive income	-	(62,187)	(62,187)
Balance at 31 March 2018	<u>270,000</u>	<u>2,321,845</u>	<u>2,591,845</u>

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

1. STATUTORY INFORMATION

C & O Tractors Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standards applicable in the UK and Republic of Ireland" ("FRS 102") and 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 £1.

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

Financial Reporting Standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax. Turnover is recognised when the goods are physically delivered to the customer.

Turnover represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the value of the consideration due.

Where a contract has only been partially completed at the balance sheet date turnover represents the value of the service provided to date based on a proportion of the total expected consideration at completion. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

Turnover is attributable to the one principal activity of the company and is generated principally from sales within the United Kingdom.

Tangible fixed assets

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

Short leasehold	- not provided
Plant and machinery	- 10% Straight line
Fixtures and fittings	- 6 years straight line
Motor vehicles	- 33% Reducing balance
Computer equipment	- 33% Straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is recognised in the income statement.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Stock is measured on a first in first out basis.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2018**

2. ACCOUNTING POLICIES - continued

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Hire purchase and leasing commitments

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

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

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

Pension costs and other post-retirement benefits

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

Financial assets

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Basic financial assets, which include trade and other receivables 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 financial transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Financial liabilities

Basic financial liabilities, which include trade and other payables, are initially measured at transaction price and subsequently measured at amortised cost, unless the arrangement constitutes a financing transaction where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2018

2. ACCOUNTING POLICIES - continued

Equity instruments

Equity instruments issued by the company are recorded at the fair value of the proceeds received net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

3. EMPLOYEES AND DIRECTORS

	2018	2017 as restated
	£	£
Wages and salaries	2,130,351	2,106,871
Social security costs	207,756	203,587
Other pension costs	37,143	36,071
	<u>2,375,250</u>	<u>2,346,529</u>

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

	2018	2017 as restated
Number of production staff	57	70
Number of administrative staff	12	11
Number of directors	3	3
	<u>72</u>	<u>84</u>

	2018	2017 as restated
	£	£
Directors' remuneration	251,866	234,873
Directors' pension contributions to money purchase schemes	<u>12,384</u>	<u>11,540</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>3</u>	<u>3</u>
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Information regarding the highest paid director is as follows:

	2018	2017 as restated
	£	£
Emoluments etc	96,127	88,862
Pension contributions to money purchase schemes	<u>7,709</u>	<u>7,595</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2018

4. OPERATING (LOSS)/PROFIT

The operating loss (2017 - operating profit) is stated after charging/(crediting):

	2018	2017 as restated
	£	£
Other operating leases	164,857	180,298
Depreciation - owned assets	117,763	102,076
Depreciation - assets on hire purchase contracts	61,772	54,163
(Profit)/loss on disposal of fixed assets	(34,081)	6,395
Auditors' remuneration	14,500	14,000
Auditors remuneration - non audit work	<u>6,000</u>	<u>4,890</u>

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	2018	2017 as restated
	£	£
Bank interest	20,808	12,506
Other interest	148	205
Loan interest	18,360	19,556
Hire purchase	<u>10,039</u>	<u>6,963</u>
	<u>49,355</u>	<u>39,230</u>

6. TAXATION**Analysis of the tax (credit)/charge**

The tax (credit)/charge on the loss for the year was as follows:

	2018	2017 as restated
	£	£
Current tax:		
UK corporation tax	(20,253)	20,253
Deferred tax	<u>8,960</u>	<u>(7,951)</u>
Tax on (loss)/profit	<u>(11,293)</u>	<u>12,302</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2018

6. TAXATION - continued

Reconciliation of total tax (credit)/charge included in profit and loss

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

	2018	2017 as restated
	£	£
(Loss)/profit before tax	<u>(73,480)</u>	<u>41,762</u>
(Loss)/profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 20%)	(13,961)	8,352
Effects of:		
Expenses not deductible for tax purposes	3,493	1,880
Adjustments to depreciation in respect of previous periods	188	5,086
Difference in tax rate between corporation tax and deferred tax	-	(3,016)
Difference in tax rate between corporation tax and deferred tax - losses carried back	<u>(1,013)</u>	<u>-</u>
Total tax (credit)/charge	<u>(11,293)</u>	<u>12,302</u>

7. DIVIDENDS

	2018	2017 as restated
	£	£
Ordinary B shares of £1 each		
Interim	<u>35,000</u>	<u>30,000</u>

8. PRIOR YEAR ADJUSTMENT

A prior year adjustment of £92,336 has been recognised to adjust purchase costs which were not recognised in the profit and loss account, and resulted in overstated reserves in year ended 31 March 2016.

The correction was to increase parts purchases and increase accrued cost creditors.

This has had the effect of increasing the creditors amounts falling due within one year balance and decreasing reserves year ended 31 March 2016. As a result the balance at 1 April 2016 in the Statement of Changes in Equity has decreased by £92,336.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2018

9. TANGIBLE FIXED ASSETS

	Short leasehold £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 April 2017	5,280	622,282	183,390
Additions	-	127,968	53,616
Disposals	-	(48,757)	(57,482)
Reclassification/transfer	-	(275,250)	-
At 31 March 2018	<u>5,280</u>	<u>426,243</u>	<u>179,524</u>
DEPRECIATION			
At 1 April 2017	-	219,215	84,488
Charge for year	-	37,378	23,090
Eliminated on disposal	-	(35,374)	(49,778)
Reclassification/transfer	-	(34,304)	-
At 31 March 2018	<u>-</u>	<u>186,915</u>	<u>57,800</u>
NET BOOK VALUE			
At 31 March 2018	<u>5,280</u>	<u>239,328</u>	<u>121,724</u>
At 31 March 2017	<u>5,280</u>	<u>403,067</u>	<u>98,902</u>

	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 April 2017	663,850	79,839	1,554,641
Additions	115,850	24,512	321,946
Disposals	(272,506)	-	(378,745)
Reclassification/transfer	-	-	(275,250)
At 31 March 2018	<u>507,194</u>	<u>104,351</u>	<u>1,222,592</u>
DEPRECIATION			
At 1 April 2017	444,703	44,866	793,272
Charge for year	98,490	20,577	179,535
Eliminated on disposal	(238,456)	-	(323,608)
Reclassification/transfer	-	-	(34,304)
At 31 March 2018	<u>304,737</u>	<u>65,443</u>	<u>614,895</u>
NET BOOK VALUE			
At 31 March 2018	<u>202,457</u>	<u>38,908</u>	<u>607,697</u>
At 31 March 2017	<u>219,147</u>	<u>34,973</u>	<u>761,369</u>

The net book value of tangible fixed assets includes £ 235,603 (2017 - £ 120,170) in respect of assets held under hire purchase contracts.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2018

9. TANGIBLE FIXED ASSETS - continued

Depreciation charged on these assets during the year amounted to £61,772 (2017: £45,391).

10. STOCKS

	2018 £	2017 £
Wholegoods	3,393,045	3,908,646
Parts	1,368,469	1,536,956
Work in progress	59,736	131,443
	<u>4,821,250</u>	<u>5,577,045</u>

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 as restated £
Trade debtors	3,029,563	7,492,296
Amounts owed by group undertakings	478,650	399,453
Other debtors	115,917	461,060
Tax	20,253	-
VAT	251,286	427,039
Prepayments and accrued income	161,102	48,524
	<u>4,056,771</u>	<u>8,828,372</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 as restated £
Bank loans and overdrafts (see note 14)	1,192,786	718,185
Hire purchase contracts (see note 15)	179,445	261,296
Trade creditors	4,693,415	10,544,904
Tax	-	20,253
Social security and other taxes	56,313	63,657
Other creditors	339,192	376,476
Directors' current accounts	112,976	93,422
Accruals and deferred income	124,034	238,982
	<u>6,698,161</u>	<u>12,317,175</u>

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

	2018 £	2017 as restated £
Hire purchase contracts (see note 15)	<u>135,672</u>	<u>105,526</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2018

14. LOANS

An analysis of the maturity of loans is given below:

	2018	2017 as restated
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>1,192,786</u>	<u>718,185</u>

15. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2018	2017 as restated
	£	£
Gross obligations repayable:		
Within one year	187,363	265,442
Between one and five years	<u>138,110</u>	<u>107,293</u>
	<u>325,473</u>	<u>372,735</u>
Finance charges repayable:		
Within one year	7,918	4,146
Between one and five years	<u>2,438</u>	<u>1,767</u>
	<u>10,356</u>	<u>5,913</u>
Net obligations repayable:		
Within one year	179,445	261,296
Between one and five years	<u>135,672</u>	<u>105,526</u>
	<u>315,117</u>	<u>366,822</u>
	Non-cancellable operating leases	
	2018	2017 as restated
	£	£
Within one year	28,000	28,000
Between one and five years	112,000	112,000
In more than five years	<u>100,520</u>	<u>128,520</u>
	<u>240,520</u>	<u>268,520</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2018

16. SECURED DEBTS

The following secured debts are included within creditors:

	2018	2017 as restated
	£	£
Bank overdrafts	1,192,786	718,185
Hire purchase contracts	315,117	366,822
	<u>1,507,903</u>	<u>1,085,007</u>

The bank overdraft is secured by way of debenture over the assets of the company and a legal charge over the land at Wilton and Henstridge, which is owned by the parent company.

Amounts payable under hire purchase contracts are secured by way of fixed charges over the individual assets acquired.

17. PROVISIONS FOR LIABILITIES

	2018	2017 as restated
	£	£
Deferred tax	<u>66,262</u>	<u>57,302</u>
		Deferred tax
		£
Balance at 1 April 2017		57,302
Provided during year		8,960
Balance at 31 March 2018		<u>66,262</u>

18. CALLED UP SHARE CAPITAL

Allotted and issued:			2018	2017 as restated
Number:	Class:	Nominal value:	£	£
260,000	Ordinary A	£1	260,000	260,000
10,000	Ordinary B	£1	10,000	10,000
			<u>270,000</u>	<u>270,000</u>

The A and B shares rank pari passu in all respects, except that the directors may declare a dividend on one class and not the other or of differing amounts for each type of share.

Should a bona fide, independent offer be made for the shares of the company that is acceptable to the holders of the A shares, then such an offer shall also be deemed to be binding on the B shareholders.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2018**

19. PENSION COMMITMENTS

The company operates a defined contribution pension scheme on behalf of its directors and certain employees. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions made to the scheme amounted to £37,143 (2017: £36,071). The outstanding contributions at the year end were £7,365 (2017: £7,222).

20. ULTIMATE PARENT COMPANY

The ultimate parent company is C & O Holdings Limited, a company registered in England and Wales.

21. CONTINGENT LIABILITIES

The company has entered into an unlimited multilateral guarantee dated 28 January 2013, securing the bank loan of C & O Holdings Limited.

22. CAPITAL COMMITMENTS

The company has contracted for but not provided for the purchase of a new depot at an acquisition cost of £425,000. Completion of the new depot is anticipated to take place in 2019.

23. RELATED PARTY DISCLOSURES

During the year, advances totalling £15,446 (2017: £18,041) were made to a company director. £35,000 (2017: £30,000) was repaid prior to the year-end. The balance payable to the director at the year-end was £112,976 (2017: £93,422). No interest is payable and the advances are repayable on demand.

During the year sales of £516,859 (2017: £397,461) and purchases of £37,088 (2017: 33,894) were made to and from a close family business. The balance owing to C&O Tractors Limited in respect of these transactions is £64,862 (2017: £74,092).

24. POST BALANCE SHEET EVENTS

Post year end, a settlement agreement has been entered in to with a supplier, that C&O Tractors Limited has historically transacted with. At the balance sheet date, the company owed £1,569,982 to the supplier and was owed £1,267,531 by the supplier, a net creditor of £302,451. These amounts are recorded in trade creditors and trade debtors respectively. The amount of the settlement has been agreed at £100,000, with the gain arising from this of £202,451 being recorded in the 2019 financial statements.

25. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is Mr A G Coles, by virtue of his 97% holding of the share capital in C & O Holdings Limited, the company's immediate parent undertaking.

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