

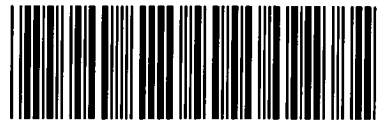
Company registration number: 04322682

**Tuxford Exports Limited**

**Financial statements**

**31 December 2016**

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## **Tuxford Exports Limited**

### **Contents**

|  | <b>Page</b>    |
|--|----------------|
| Directors and other information            | <b>2</b>       |
| Strategic report                           | <b>3 - 4</b>   |
| Director's report                          | <b>5 - 6</b>   |
| Independent auditor's report to the member | <b>7 - 8</b>   |
| Statement of income and retained earnings  | <b>9</b>       |
| Statement of financial position            | <b>10 - 11</b> |
| Statement of cash flows                    | <b>12</b>      |
| Notes to the financial statements          | <b>13 - 29</b> |

## **Tuxford Exports Limited**

### **Directors and other information**

|                          |   |
|--------------------------|---|
| <b>Director</b>          | R C Tuxford   |
| <b>Secretary</b>         | R Whitehead   |
| <b>Company number</b>    | 04322682  |
| <b>Registered office</b> | Old Colliery Site<br>Hollinwood Lane<br>Calverton<br>Nottingham<br>NG14 6NR             |
| <b>Auditor</b>           | Brooks Mayfield Limited<br>12 Bridgford Road<br>West Bridgford<br>Nottingham<br>NG2 6AB |
| <b>Bankers</b>           | HSBC<br>26 Clumber Street<br>Nottingham<br>Nottinghamshire<br>NG1 3GA                   |

## **Tuxford Exports Limited**

### **Strategic report Year ended 31 December 2016**

#### **Business Review**

R C Tuxford Exports Limited continues to trade in new and second hand trucks and parts

The markets the company operates in continue to experience a difficult and uncertain trading environment, due to both political instability, poor liquidity and weak demand. Additionally, the market shocks resulting from the UK BREXIT vote has affected worldwide investment decisions, decisions which directly impact the company and its customers.

Against this difficult back drop, the final quarter of 2016 together with the first six months of 2017 have seen a marked improvement in the trading performance of Tuxford Exports Limited. The upturn in performance has been driven by both higher levels of sales together with efficiency strategies implemented over the last few years.

Additionally, the director continues to pursue innovative solutions to the pressures the entire market is facing. Whilst the sluggish demand and over supply has affected margins it has also presented opportunities which together with the company's excellent reputation has resulted in successful trading whilst many of its competitors are faltering.

Given the market conditions, the director is satisfied with financial performance this year, in particular both the net profit and margin achieved:

No dividend is proposed.

#### **Principal Risks and Uncertainties**

The director and his advisors are continually assessing the main risks facing the company. There are no formal risk management policies in place but risks are reviewed regularly by the director.

The continued poor overseas market conditions together with cash flow challenges are deemed to be the main risks facing the business.

Due to the high level of overseas customers the director also considers foreign exchange rate risk as a key risk, although the present week pound works in favour of the company as it is a net exporter.

The company remains exposed to any increases in interest rates, although no significant increases are expected in the medium term.

The director continues to give his financial support to the company by providing interest free loan.

#### **Financial analysis**

The key performance indicators considered by the director in providing this report are as follows:

|                     | 2016     | 2015     |
|---------------------|----------|----------|
| Decrease in sales   | 10.66%   | 33.2%    |
| Profit for the year | £248,207 | £380,798 |
| Gross profit margin | 24%      | 24%      |

#### **Non financial performance**

Despite the difficult market conditions, the reputation and expertise of the director and the company continues to be held in very high regard by all the industry's major stakeholder's, in particular its supply chain. As such, the company is at the forefront of any development or opportunities in the industry. The director considers this to be a key competitive advantage of the business.

The final quarter of 2016 saw a steadily increasing number of customer enquiries, both via visitors to the head office and from overseas customers.

**Tuxford Exports Limited**

**Strategic report (continued)**  
**Year ended 31 December 2016**

**Development and performance**

As mentioned above, the industry continues to operate in very depressed market conditions, with selling prices reflecting both poor demand and over supply.

Against this backdrop, the director is pleased with the recorded performance this year with an improvement in the gross margin offsetting a fall in sales. This improved margin has been achieved by both astute purchasing and re-profiling the sales of the company.

Likewise, the net profit for the year of £248,207 is also considered a satisfactory result given the market pressures and is certainly a significant improvement over expected position.

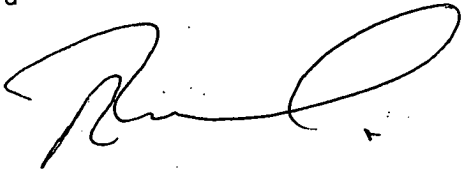
That said, the director is aware that one of the biggest challenges affecting the company will remain cash flow and working capital management. To this end the company have focusing attention in this area, including a more careful and selective process to stock purchasing but also have increasing resources invested on debtor's management and collection.

At the year end the business holds stock of £5.22m and trade debtors total £2.1m. The director is targeting reductions in figures over the next 12 months.

The company continues to improve and refine its e-commerce sales channels.

This report was approved by the board of directors on 28 September 2017 and signed on behalf of the board by:

R C Tuxford  
Director

A handwritten signature in black ink, appearing to be 'R C Tuxford', written over a light blue horizontal line.

## **Tuxford Exports Limited**

### **Director's report Year ended 31 December 2016**

The director presents his report and the financial statements of the company for the year ended 31 December 2016.

#### **Director**

The director who served the company during the year was as follows:

R C Tuxford

#### **Dividends**

The director does not recommends the payment of a dividend.

#### **Political donations and expenditure**

During the year the company has made the following political contributions:

Conservatives

|       |
|-------|
| £     |
| 5,000 |
| <hr/> |
| 5,000 |
| <hr/> |

#### **Future developments**

The director expects the market conditions to remain difficult for at least the next 2 to 3 years, not least due to the turbulent political environment. As such the director will continue to tailor the business activities accordingly.

The director believes the market place will continue to migrate to digital business practices and as such the company will continue to develop their IT systems and website so that Tuxford Exports is market leader in this aspect of industry.

The company will also continue to focus on the areas of the industry which derives the best value; whilst also exploring new opportunities as they present themselves.

Cash flow and careful working capital management will continue to be crucial to the business over the next 12 months.

#### **Financial instruments**

The company has no interest rate or exchange rate financial instruments (2015: none).

#### **Overseas branches**

The company operates from its base in Calverton, Nottinghamshire, however does mainly trade in Africa and Asia.

#### **Disclosure of information in the strategic report.**

The company has chosen in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out in the company's strategic report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations

**Tuxford Exports Limited**

**Director's report (continued)**  
**Year ended 31 December 2016**

**Director's responsibilities statement**

The director is responsible for preparing the strategic report, director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 director is 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 him 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.

**Auditor**

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Brooks Mayfield Limited was appointed auditor during the period. Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Brooks Mayfield Limited will therefore continue in office.

This report was approved by the board of directors on 28 September 2017 and signed on behalf of the board by:

R C Tuxford  
Director

A handwritten signature in black ink, appearing to be 'R C Tuxford', written over a horizontal line.

## **Tuxford Exports Limited**

### **Independent auditor's report to the member of Tuxford Exports Limited Year ended 31 December 2016**

We have audited the financial statements of Tuxford Exports Limited for the year ended 31 December 2016 which comprise the statement of income and retained earnings, statement of financial position, statement of cash flows and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standard (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's member, 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 member those matters we are required to state to him 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 member as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of director and auditor**

As explained more fully in the director's responsibilities statement, the director is 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 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 director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the strategic report and the director's report 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 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 December 2016 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 the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements.

#### **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 the returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



**Tuxford Exports Limited**

**Independent auditor's report to the member of  
Tuxford Exports Limited (continued)  
Year ended 31 December 2016**



William Oates BA FCA (senior statutory auditor)

For and on behalf of  
Brooks Mayfield Limited  
Chartered Accountants and Statutory Auditors  
12 Bridgford Road  
West Bridgford  
Nottingham  
NG2 6AB

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**Tuxford Exports Limited**

**Statement of income and retained earnings  
Year ended 31 December 2016**

|   | Note     | 2016<br>£        | 2015<br>£        |
|---|----------|------------------|------------------|
| <b>Turnover</b>   | <b>4</b> | 9,333,928        | 10,448,564       |
| Cost of sales   |          | (7,083,811)      | (7,981,502)      |
| <b>Gross profit</b>   |          | 2,250,117        | 2,467,062        |
| Administrative expenses   |          | (1,874,589)      | (1,895,112)      |
| Other operating income  | 5        | 1,484            | 1,458            |
| <b>Operating profit</b>   | <b>6</b> | 377,012          | 573,408          |
| Interest payable and similar expenses                               | 9        | (128,805)        | (192,610)        |
| <b>Profit before taxation</b>                                       |          | 248,207          | 380,798          |
| Tax on profit   | 10       | (115,710)        | (111,874)        |
| <b>Profit for the financial year and total comprehensive income</b> |          | <u>132,497</u>   | <u>268,924</u>   |
| <b>Retained earnings at the start of the year</b>                   |          | 2,657,750        | 2,388,826        |
| <b>Retained earnings at the end of the year</b>                     |          | <u>2,790,247</u> | <u>2,657,750</u> |

All the activities of the company are from continuing operations.

The notes on pages 13 to 29 form part of these financial statements.

**Tuxford Exports Limited**

**Statement of financial position  
31 December 2016**

|  | Note | 2016<br>£   | £         | 2015<br>£   | £           |
|--|------|-------------|-----------|-------------|-------------|
| <b>Fixed assets</b>  |      |             |           |             |             |
| Tangible assets  | 11   | 1,705,421   |           | 2,024,158   |             |
| Investments  | 12   | 3,333       |           | 3,333       |             |
|  |      |             | 1,708,754 |             | 2,027,491   |
| <b>Current assets</b>  |      |             |           |             |             |
| Stocks   | 13   | 5,228,529   |           | 5,334,202   |             |
| Debtors  | 14   | 3,539,365   |           | 3,370,617   |             |
| Investments  | 15   | 19,677      |           | 19,677      |             |
| Cash at bank and in hand                                       |      | 271,433     |           | 634,402     |             |
|  |      | 9,059,004   |           | 9,358,898   |             |
| <b>Creditors: amounts falling due within one year</b>          | 17   | (6,586,238) |           | (7,056,207) |             |
| <b>Net current assets</b>                                      |      |             | 2,472,766 |             | 2,302,691   |
| <b>Total assets less current liabilities</b>                   |      |             | 4,181,520 |             | 4,330,182   |
| <b>Creditors: amounts falling due after more than one year</b> | 18   |             | (771,406) |             | (1,063,823) |
| <b>Provisions for liabilities</b>                              | 20   |             | (119,867) |             | (108,609)   |
| <b>Net assets</b>  |      |             | 3,290,247 |             | 3,157,750   |
| <b>Capital and reserves</b>                                    |      |             |           |             |             |
| Called up share capital  | 24   |             | 500,000   |             | 500,000     |
| Profit and loss account  | 25   |             | 2,790,247 |             | 2,657,750   |
| <b>Shareholder funds</b>                                       |      |             | 3,290,247 |             | 3,157,750   |

The notes on pages 13 to 29 form part of these financial statements.

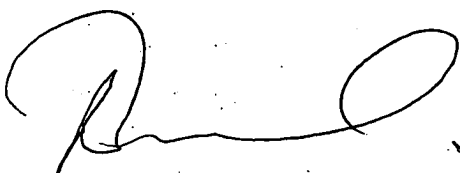
**Tuxford Exports Limited**

**Statement of financial position (continued)**  
**31 December 2016**

These financial statements were approved by the board of directors and authorised for issue on 28 September 2017, and are signed on behalf of the board by:

R C Tuxford  
Director

Company registration number: 04322682

A handwritten signature in black ink, appearing to be 'R C Tuxford', written in a cursive style.

**The notes on pages 13 to 29 form part of these financial statements.**

**Tuxford Exports Limited**

**Statement of cash flows**  
**Year ended 31 December 2016**

|   | Note | 2016<br>£          | 2015<br>£          |
|---|------|--------------------|--------------------|
| <b>Cash flows from operating activities</b>                 |      |                    |                    |
| Profit for the financial year                               |      | 132,497            | 268,924            |
| <i>Adjustments for:</i>                                     |      |                    |                    |
| Depreciation of tangible assets                             |      | 428,723            | 499,571            |
| Interest payable and similar expenses                       |      | 128,805            | 192,610            |
| Gain/(loss) on disposal of tangible assets                  |      | (4,938)            | (13,838)           |
| Tax on profit   |      | 115,710            | 111,874            |
| Accrued expenses/(income)                                   |      | 12,648             | (67,381)           |
| <i>Changes in:</i>  |      |                    |                    |
| Stocks  |      | 105,673            | 83,536             |
| Trade and other debtors                                     |      | (168,748)          | (382,959)          |
| Trade and other creditors                                   |      | 229,823            | (1,299,203)        |
| Cash generated from operations                              |      | 980,193            | (606,866)          |
| Interest paid   |      | (128,805)          | (192,610)          |
| Tax paid  |      | (148,562)          | (1)                |
| Net cash from/(used in) operating activities                |      | <u>702,826</u>     | <u>(799,477)</u>   |
| <b>Cash flows from investing activities</b>                 |      |                    |                    |
| Purchase of tangible assets                                 |      | (104,473)          | (171,574)          |
| Proceeds from sale of tangible assets                       |      | 32,500             | 676,301            |
| Acquisition of interests in associates and joint ventures   |      | -                  | (3,333)            |
| Net cash (used in)/from investing activities                |      | <u>(71,973)</u>    | <u>501,394</u>     |
| <b>Cash flows from financing activities</b>                 |      |                    |                    |
| Proceeds from borrowings                                    |      | (41,950)           | (65,750)           |
| Repayments of borrowings                                    |      | (961,936)          | (433,990)          |
| Proceeds from loans from participating interests            |      | 11,286             | -                  |
| Payment of finance lease liabilities                        |      | (143,610)          | (124,204)          |
| Net cash used in financing activities                       |      | <u>(1,136,210)</u> | <u>(623,944)</u>   |
| <b>Net increase/(decrease) in cash and cash equivalents</b> |      | (505,357)          | (922,027)          |
| <b>Cash and cash equivalents at beginning of year</b>       | 16   | (1,694,864)        | (772,837)          |
| <b>Cash and cash equivalents at end of year</b>             | 16   | <u>(2,200,221)</u> | <u>(1,694,864)</u> |

## **Tuxford Exports Limited**

### **Notes to financial statements Year ended 31 December 2016**

#### **1. General information**

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Old Colliery Site, Hollinwood Lane, Calverton, Nottingham, NG14 6NR.

#### **2. Statement of compliance**

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

#### **3. Accounting policies**

##### **Basis of preparation**

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

##### **Judgements and key sources of estimation uncertainty**

The directors make estimates and assumptions concerning the future, they are also required to exercise judgement in the process of applying the company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

In preparing these financial statements, the directors have made the following judgements:

Determine whether leases entered into by the company are operating or finance leases

These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis based on an evaluation of the terms and conditions of the arrangements.

##### **Impairment of non-current assets**

The company assesses the impairment of property, plant and equipment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors considered important that could trigger an impairment review include the following:

- 1) Significant underperformance relative to historical or projected future operating results;
- 2) Significant changes in the use of the acquired assets or the business strategy, and
- 3) Significant negative industry or economic trends.

## **Tuxford Exports Limited**

### **Notes to financial statements (continued) Year ended 31 December 2016**

The following are the company's key sources of estimation uncertainty:

#### **Depreciation and residual values**

The directors have reviewed the asset lives and associated residual values of all fixed asset classes and have concluded that asset lives and residual values are appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projects disposal values.

#### **Carrying value of stocks**

Management review the market value of and demand for the company's stocks on a periodic basis to ensure stock is recorded in the financial statements at the lower of cost and net realisable value. Any provision for impairment is recorded against the carrying value of stocks. Management use their knowledge of market conditions, historical experiences and estimates of future events to assess future demand for the company's products and achievable selling prices.

#### **Recoverability of trade debtors**

Trade and other receivables are recognised to the extent that they are judged recoverable. Management reviews are performed to estimate the level of reserves required for irrecoverable debt. Provisions are made specifically against invoices where recoverability is uncertain. Management makes allowance for doubtful debts based on an assessment of the recoverability of debtors. Allowances are applied to debtors where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Management specifically analyse historical bad debts, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of the provision for doubtful debts. Where the expectation is different from the original estimate, such difference will impact the carrying value of debtors and the charge in the profit and loss account.

#### **Provisions**

A provision is recognised when the company has a present legal or constructive obligation as a result of a past event for which it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. The nature and type of risks for these provisions differ and management's judgement is applied regarding the nature and extent of obligations in deciding if an outflow of resources is probable or not.

#### **Turnover**

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer, usually on despatch of the goods; the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

## **Tuxford Exports Limited**

### **Notes to financial statements (continued)**

**Year ended 31 December 2016**

#### **Taxation**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in capital and reserves. In this case, tax is recognised in other comprehensive income or directly in capital and reserves, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

#### **Foreign currencies**

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to profit or loss.

#### **Operating leases**

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

#### **Tangible assets**

Tangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated depreciation and impairment losses.

Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in capital and reserves, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in capital and reserves in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in capital and reserves in respect of that asset, the excess shall be recognised in profit or loss.



## **Tuxford Exports Limited**

### **Notes to financial statements (continued) Year ended 31 December 2016**

#### **Depreciation**

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

|                                 |   |                                      |
|---------------------------------|---|--------------------------------------|
| Short leasehold property        | - | Straight line over life of the lease |
| Plant and machinery             | - | 15% reducing balance                 |
| Fittings fixtures and equipment | - | 15% reducing balance                 |
| Motor vehicles                  | - | 25% reducing balance                 |

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of tangible assets, the depreciation is revised prospectively to reflect the new estimates.

#### **Fixed asset investments**

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses. Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

#### **Impairment**

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

When it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

#### **Stocks**

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stocks to their present location and condition.

Costs are calculated on a first in, first out basis.

Trucks over one-year old are provided for so that they are valued at breakup value.

#### **Hire purchase and finance leases**

Assets held under finance leases are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

## Tuxford Exports Limited

### Notes to financial statements (continued) Year ended 31 December 2016

#### Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event; it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised in finance costs in profit or loss in the period it arises.

#### Financial instruments

Derivative financial instruments are recognised at fair value using a valuation technique with any gains or losses being reported in profit or loss.

#### Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised in finance costs in profit or loss in the period in which it arises.

#### 4. Turnover

Turnover arises from:

|               | 2016      | 2015       |
|---------------|-----------|------------|
|               | £         | £          |
| Sale of goods | 9,333,928 | 10,448,564 |

The turnover is attributable to the one principal activity of the company. An analysis of turnover by the geographical markets that substantially differ from each other is given below:

|                   | 2016             | 2015              |
|-------------------|------------------|-------------------|
|                   | £                | £                 |
| UK                | 945,920          | 1,497,983         |
| Europe            | 979,267          | 1,089,801         |
| Rest of the World | 7,408,741        | 7,860,780         |
|                   | <u>9,333,928</u> | <u>10,448,564</u> |

**Tuxford Exports Limited**

**Notes to financial statements (continued)**

**Year ended 31 December 2016**

**5. Other operating income**

|               | <b>2016</b> | <b>2015</b> |
|---------------|-------------|-------------|
|               | <b>£</b>    | <b>£</b>    |
| Rental income | 1,484       | 1,458       |

**6. Operating profit**

Operating profit is stated after charging/(crediting):

|  | <b>2016</b> | <b>2015</b> |
|--|-------------|-------------|
|  | <b>£</b>    | <b>£</b>    |
| Depreciation of tangible assets                        | 428,723     | 499,571     |
| (Gain)/loss on disposal of tangible assets             | (4,938)     | (13,838)    |
| Cost of stocks recognised as an expense                | 6,031,285   | 6,743,225   |
| Impairment of trade debtors                            | 316,394     | 215,069     |
| Operating lease rentals                                | 187,900     | 182,560     |
| Foreign exchange differences                           | (49,884)    | (40,144)    |
| Fees payable for the audit of the financial statements | 13,000      | 7,150       |

**7. Staff costs**

The average number of persons employed by the company during the year, including the director, amounted to:

|                | <b>2016</b> | <b>2015</b> |
|----------------|-------------|-------------|
| Administration | 8           | 8           |
| Yard           | 16          | 19          |
|                | 24          | 27          |

The aggregate payroll costs incurred during the year were:

|                       | <b>2016</b> | <b>2015</b> |
|-----------------------|-------------|-------------|
|                       | <b>£</b>    | <b>£</b>    |
| Wages and salaries    | 600,636     | 645,042     |
| Social security costs | 50,278      | 52,103      |
| Other pension costs   | 43,878      | 31,927      |
|                       | 694,792     | 729,072     |

**Tuxford Exports Limited**

**Notes to financial statements (continued)**  
**Year ended 31 December 2016**

**8. Directors remuneration**

The director's aggregate remuneration in respect of qualifying services was:

|  | <b>2016</b>   | <b>2015</b>   |
|--|---------------|---------------|
|  | <b>£</b>      | <b>£</b>      |
| Remuneration   | 7,208         | 7,878         |
| Company contributions to pension schemes in respect of qualifying services | 40,000        | 29,997        |
|  | <u>47,208</u> | <u>37,875</u> |

The number of directors who accrued benefits under company pension plans was as follows:

|                            | <b>2016</b>   | <b>2015</b>   |
|----------------------------|---------------|---------------|
|                            | <b>Number</b> | <b>Number</b> |
| Defined contribution plans | <u>1</u>      | <u>1</u>      |

**9. Interest payable and similar expenses**

|   | <b>2016</b>    | <b>2015</b>    |
|---|----------------|----------------|
|   | <b>£</b>       | <b>£</b>       |
| Bank loans and overdrafts                   | 53,253         | 59,636         |
| Other loans made to the company:            |                |                |
| Finance leases and hire purchase contracts  | 9,390          | 11,569         |
| Other interest payable and similar expenses | 66,162         | 121,405        |
|   | <u>128,805</u> | <u>192,610</u> |

**Tuxford Exports Limited**

**Notes to financial statements (continued)**  
**Year ended 31 December 2016**

**10. Tax on profit**

**Major components of tax expense**

|  | <b>2016</b>    | <b>2015</b>    |
|--|----------------|----------------|
|  | <b>£</b>       | <b>£</b>       |
| <b>Current tax:</b>                            |                |                |
| UK current tax expense                         | 102,421        | 129,274        |
| Adjustments in respect of previous periods     | 2,031          | (38,420)       |
|  | <u>11,258</u>  | <u>21,020</u>  |
| <b>Deferred tax:</b>                           |                |                |
| Origination and reversal of timing differences | 11,258         | 21,020         |
|  | <u>115,710</u> | <u>111,874</u> |
| <b>Tax on profit</b>                           | <u>115,710</u> | <u>111,874</u> |

**Reconciliation of tax expense**

The tax assessed on the profit for the year is higher than (2015: higher than) the standard rate of corporation tax in the UK of 20.00% (2015: 20.00%).

|  | <b>2016</b>    | <b>2015</b>    |
|--|----------------|----------------|
|  | <b>£</b>       | <b>£</b>       |
| Profit before taxation                             | 248,207        | 380,798        |
| Profit multiplied by rate of tax                   | 49,641         | 76,160         |
| Adjustments in respect of prior periods            | 2,031          | (38,420)       |
| Effect of expenses not deductible for tax purposes | 11,955         | 8,339          |
| Effect of capital allowances and depreciation      | 52,432         | 65,134         |
| Marginal relief/Change in tax rate                 | -              | 1,052          |
| Losses of connected companies utilised             | (349)          | (391)          |
|  | <u>115,710</u> | <u>111,874</u> |
| <b>Tax on profit</b>                               | <u>115,710</u> | <u>111,874</u> |

**Factors affecting future tax expense**

The standard rate of tax in the UK fell from 20% to 19% on the 1 April 2017 in line with UK Government policies.

**Tuxford Exports Limited**

**Notes to financial statements (continued)**  
**Year ended 31 December 2016**

**11. Tangible assets**

|                            | Long<br>leasehold<br>property<br>£ | Plant and<br>machinery<br>£ | Fixtures,<br>fittings and<br>equipment<br>£ | Motor<br>vehicles<br>£ | Total<br>£       |
|----------------------------|------------------------------------|-----------------------------|---|------------------------|------------------|
| <b>Cost</b>                |                                    |                             |   |                        |                  |
| At 1 January 2016          | 3,149,048                          | 1,160,055                   | 126,659                                     | 299,795                | 4,735,557        |
| Additions                  | 19,948                             | -                           | 21,350                                      | 96,250                 | 137,548          |
| Disposals                  | -                                  | -                           | -   | (36,750)               | (36,750)         |
| <b>At 31 December 2016</b> | <u>3,168,996</u>                   | <u>1,160,055</u>            | <u>148,009</u>                              | <u>359,295</u>         | <u>4,836,355</u> |
| <b>Depreciation</b>        |                                    |                             |   |                        |                  |
| At 1 January 2016          | 1,935,413                          | 613,748                     | 74,720                                      | 87,518                 | 2,711,399        |
| Charge for the year        | 282,375                            | 81,947                      | 7,793                                       | 56,608                 | 428,723          |
| Disposals                  | -                                  | -                           | -   | (9,188)                | (9,188)          |
| <b>At 31 December 2016</b> | <u>2,217,788</u>                   | <u>695,695</u>              | <u>82,513</u>                               | <u>134,938</u>         | <u>3,130,934</u> |
| <b>Carrying amount</b>     |                                    |                             |   |                        |                  |
| <b>At 31 December 2016</b> | <u>951,208</u>                     | <u>464,360</u>              | <u>65,496</u>                               | <u>224,357</u>         | <u>1,705,421</u> |
| At 31 December 2015        | <u>1,213,635</u>                   | <u>546,307</u>              | <u>51,939</u>                               | <u>212,277</u>         | <u>2,024,158</u> |

**Obligations under finance leases**

Included within the carrying value of tangible assets are the following amounts relating to assets held under finance leases or hire purchase agreements:

|                            | Plant and<br>machinery<br>£ | Motor<br>vehicles<br>£ |
|----------------------------|-----------------------------|------------------------|
| <b>At 31 December 2016</b> | <u>235,167</u>              | <u>123,451</u>         |
| At 31 December<br>2015     | <u>276,667</u>              | <u>155,415</u>         |

**Tuxford Exports Limited**

**Notes to financial statements (continued)**  
**Year ended 31 December 2016**

**12. Investments**

|  | Participating<br>interests | Total   |
|--|----------------------------|---------|
|  | £                          | £       |
| <b>Cost</b>                            |                            |         |
| At 1 January 2016 and 31 December 2016 | 253,333                    | 253,333 |
| <b>Impairment</b>                      |                            |         |
| At 1 January 2016 and 31 December 2016 | 250,000                    | 250,000 |
| <b>Carrying amount</b>                 |                            |         |
| At 31 December 2016                    | 3,333                      | 3,333   |
| At 31 December 2015                    | 3,333                      | 3,333   |

**Investments in group undertakings**

|                                  | Registered office  | Class of<br>share | Percentage<br>of shares<br>held |
|----------------------------------|--|-------------------|---------------------------------|
| <b>Participating interest</b>    |  |                   |                                 |
| Nottingham Bulwell Stone Limited | Hollinwood Lane, Calverton,<br>Nottinghamshire, NG14 6NR                           | Ordinary £1       | 33                              |
| Carlton Road Development Limited | 7A, Colwick Quays Business<br>Park Colwick, Nottingham,<br>Notts, England, NG4 2JY | Ordinary £1       | 33                              |

The results and capital and reserves for the period of the trading companies are as follows:

|                                  | Capital and reserves |           | Profit/(loss) for the period |          |
|----------------------------------|----------------------|-----------|------------------------------|----------|
|                                  | 2016                 | 2015      | 2016                         | 2015     |
|                                  | £                    | £         | £                            | £        |
| <b>Participating interest</b>    |                      |           |                              |          |
| Nottingham Bulwell Stone Limited | (695,736)            | (674,121) | (21,615)                     | (10,864) |
| Carlton Road Development Limited | -                    | (103,404) | -                            | (27,111) |

At the time these accounts were signed off the 2016 results for Carlton Road Developments Limited had not been completed.

**Tuxford Exports Limited**

**Notes to financial statements (continued)**  
**Year ended 31 December 2016**

**13. Stocks**

|                | 2016             | 2015             |
|----------------|------------------|------------------|
|                | £                | £                |
| Finished goods | 5,228,529        | 5,334,202        |
|                | <u>5,228,529</u> | <u>5,334,202</u> |

An impairment loss of £163,852 (2015: £84,100) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

**14. Debtors**

|               | 2016             | 2015             |
|---------------|------------------|------------------|
|               | £                | £                |
| Trade debtors | 2,092,010        | 2,245,917        |
| Other debtors | 1,447,355        | 1,124,700        |
|               | <u>3,539,365</u> | <u>3,370,617</u> |

Trade debtors written off in the year and included within administrative expenses in the profit and loss account in relation to bad debts amounted to £316,394 (2015: £215,069).

**15. Investments**

|                   | 2016          | 2015          |
|-------------------|---------------|---------------|
|                   | £             | £             |
| Other investments | 19,677        | 19,677        |
|                   | <u>19,677</u> | <u>19,677</u> |

The market value of the listed investments at 31 December 2016 was £14,932 (2015: £16,011).

**16. Cash and cash equivalents**

|                          | 2016               | 2015               |
|--------------------------|--------------------|--------------------|
|                          | £                  | £                  |
| Cash at bank and in hand | 271,433            | 634,402            |
| Bank overdrafts          | (2,471,654)        | (2,329,266)        |
|                          | <u>(2,200,221)</u> | <u>(1,694,864)</u> |



**Tuxford Exports Limited**

**Notes to financial statements (continued)**  
**Year ended 31 December 2016**

**17. Creditors: amounts falling due within one year :**

|  | 2016             | 2015             |
|--|------------------|------------------|
|  | £                | £                |
| Bank loans and overdrafts  | 3,013,717        | 3,648,418        |
| Trade creditors  | 3,123,604        | 2,766,974        |
| Amounts owed to undertakings in which the company has a participating interest | 11,286           | -                |
| Accruals and deferred income   | 25,148           | 12,500           |
| Corporation tax  | 219,473          | 263,583          |
| Social security and other taxes  | 36,047           | 69               |
| Obligations under finance leases   | 120,322          | 144,973          |
| Director loan accounts   | 27,740           | 219,690          |
| Other creditors  | 8,901            | -                |
|  | <u>6,586,238</u> | <u>7,056,207</u> |

Bank loan one - terms of repayment are over the next 12 months and interest is payable at 2.5% per annum over the Bank of England Base Rate.

Bank loan two - terms of repayment are over the next 50 months and interest is payable at 2.34% per annum over the Bank of England Base Rate.

Bank loans and overdrafts totalling £2,678,187 (2015: £3,291,202) are secured by:

Debenture including Fixed Charge over all present freehold and leasehold property; First fixed Charge over book and other debts, chattels, goodwill and uncalled capital, both present and future; and First Floating Charge over all assets and undertaking both present and future dated 01 February 2011. All of which are with HSBC.

**Tuxford Exports Limited**

**Notes to financial statements (continued)**  
**Year ended 31 December 2016**

**18. Creditors: amounts falling due after more than one year**

|                                  | <b>2016</b>    | <b>2015</b>      |
|----------------------------------|----------------|------------------|
|                                  | <b>£</b>       | <b>£</b>         |
| Bank loans and overdrafts        | 698,893        | 905,426          |
| Obligations under finance leases | 72,513         | 158,397          |
|                                  | <u>771,406</u> | <u>1,063,823</u> |

Bank loan one - terms of repayment are over the next 12 months and interest is payable at 2.5% per annum over the Bank of England Base Rate.

Bank loan two - terms of repayment are over the next 50 months and interest is payable at 2.34% per annum over the Bank of England Base Rate.

Bank loans totalling £698,893 (2015: £905,426) are secured by:

Debenture including Fixed Charge over all present freehold and leasehold property; First fixed Charge over book and other debts, chattels, goodwill and uncalled capital, both present and future; and First Floating Charge over all assets and undertaking both present and future dated 01 February 2011. All of which are with HSBC.

**19. Obligations under finance leases**

**Company lessee**

The total future minimum lease payments under finance lease agreements are as follows:

|  | <b>2016</b>      | <b>2015</b>      |
|--|------------------|------------------|
|  | <b>£</b>         | <b>£</b>         |
| Not later than 1 year                        | (120,322)        | (144,973)        |
| Later than 1 year and not later than 5 years | (72,513)         | (158,397)        |
|  | <u>(192,835)</u> | <u>(303,370)</u> |
| Present value of minimum lease payments      | <u>(192,835)</u> | <u>(303,370)</u> |

The hire purchases relate primarily to the purchase of motor vehicles. All hire purchase creditors are secured on the assets which they relate to.

**20. Provisions**

|                            | <b>Deferred tax</b>   | <b>Total</b>          |
|----------------------------|-----------------------|-----------------------|
|                            | <b>(note 21)</b>      |                       |
|                            | <b>£</b>              | <b>£</b>              |
| At 1 January 2016          | 108,609               | 108,609               |
| Additions                  | 11,258                | 11,258                |
| <b>At 31 December 2016</b> | <u><b>119,867</b></u> | <u><b>119,867</b></u> |

**Tuxford Exports Limited**

**Notes to financial statements (continued)**  
**Year ended 31 December 2016**

**21. Deferred tax**

The deferred tax included in the statement of financial position is as follows:

|                                  | 2016           | 2015           |
|----------------------------------|----------------|----------------|
|                                  | £              | £              |
| Included in provisions (note 20) | 119,867        | 108,609        |
|                                  | <u>119,867</u> | <u>108,609</u> |

The deferred tax account consists of the tax effect of timing differences in respect of:

|                                | 2016           | 2015           |
|--------------------------------|----------------|----------------|
|                                | £              | £              |
| Accelerated capital allowances | 119,867        | 108,609        |
|                                | <u>119,867</u> | <u>108,609</u> |

**22. Employee benefits**

The amount recognised in profit or loss in relation to defined contribution plans was £43,878 (2015: £31,927).

**23. Financial instruments**

The carrying amount for each category of financial instrument is as follows:

|  | 2016             | 2015             |
|--|------------------|------------------|
|  | £                | £                |
| <b>Financial assets measured at fair value through profit or loss</b>        |                  |                  |
| Listed investments   | 19,677           | 19,677           |
|  | <u>19,677</u>    | <u>19,677</u>    |
| <b>Financial assets that are debt instruments measured at amortised cost</b> |                  |                  |
| Trade debtors  | 2,092,010        | 2,245,917        |
| Other debtors  | 1,325,220        | 995,503          |
| Cash at bank and in hand   | 271,433          | 634,402          |
|  | <u>3,688,663</u> | <u>3,875,822</u> |
| <b>Financial liabilities measured at amortised cost</b>                      |                  |                  |
| Bank and other loans   | 3,721,511        | 4,553,844        |
| Trade creditors  | 3,123,604        | 2,766,974        |
| Other creditors  | 231,861          | 523,060          |
|  | <u>7,076,976</u> | <u>7,843,878</u> |

The company has no interest rate or exchange rate financial instruments (2015: none).

**Tuxford Exports Limited**

**Notes to financial statements (continued)**

**Year ended 31 December 2016**

**24. Called up share capital  
Issued, called up and fully paid**

|                                | 2016           |                | 2015           |                |
|--------------------------------|----------------|----------------|----------------|----------------|
|                                | No             | £              | No             | £              |
| Ordinary shares of £ 1.00 each | <u>500,000</u> | <u>500,000</u> | <u>500,000</u> | <u>500,000</u> |

Ordinary shares have full voting rights and participating rights.

**25. Reserves**

Profit and loss account:

This reserve records retained earnings and accumulated losses.

**26. Operating leases**

**The company as lessee**

The total future minimum lease payments under non-cancellable operating leases are as follows:

|  | 2016           | 2015           |
|--|----------------|----------------|
|  | £              | £              |
| Not later than 1 year                        | 190,072        | 190,072        |
| Later than 1 year and not later than 5 years | <u>248,421</u> | <u>438,493</u> |
|  | <u>438,493</u> | <u>628,565</u> |

**Tuxford Exports Limited**

**Notes to financial statements (continued)**  
**Year ended 31 December 2016**

**27. Directors advances, credits and guarantees**

During the year the director entered into the following advances and credits with the company:

|             | <b>2016</b>             |                                     |                   |                    |
|-------------|-------------------------|-------------------------------------|-------------------|--------------------|
|             | Balance brought forward | Advances /(credits) to the director | Amounts repaid    | Balance o/standing |
|             | £                       | £                                   | £                 | £                  |
| R C Tuxford | (219,690)               | 191,950                             | -                 | (27,740)           |
|             | <u>          </u>       | <u>          </u>                   | <u>          </u> | <u>          </u>  |
|             | <b>2015</b>             |                                     |                   |                    |
|             | Balance brought forward | Advances /(credits) to the director | Amounts repaid    | Balance o/standing |
|             | £                       | £                                   | £                 | £                  |
| R C Tuxford | (1,016,535)             | 1,683,367                           | (886,522)         | (219,690)          |
|             | <u>          </u>       | <u>          </u>                   | <u>          </u> | <u>          </u>  |

The loan is unsecured, interest free and repayable on demand.

**28. Related party transactions**

Transactions with entities over which the company has control, joint control or significant influence  
During the year the company made sales of £681,973 (2015: £649,099) and purchases of £nil (2015: £nil). Outstanding balances with the entities are unsecured, interest free and cash settlement is normally due 30 days from the date of invoice. The company has not provided or benefitted from any guarantees for any related party receivables or payables. During the year the company paid expense/loan companies over which they have significant influence £165,252 (2015: £546,136). At 31 December 2016 £1,105,461 (2015: £981,690) remained outstanding and included in other debtors. No interest is charged on the loans which are unsecured and repayable on demand. During the year £nil (2015: £13) was provided for as a bad debt, this year there was a reversal of £nil (2015: £46,584) of last year's provision which was received during the year.

**Transactions with other related parties**

During the year the company received a loan of £78,314 (2015: £16,000) from family members of the director. At 31 December 2016 the balance outstanding and included in other creditors was £335,530 (2015: £257,216). No interest is charged on the loans which are unsecured and repayable on demand.

**Transactions with directors**

During the year the company rented a property from the director for £182,560 (2015: £182,560). No amounts remained outstanding at the year end. During the year the starter units built by the company were transferred into the director's name at cost price of £nil (2015: £626,301). No amounts remained outstanding at the year end.

**29. Key management personnel**

Other than the director there is not considered to be any other key management personnel.

**Tuxford Exports Limited**

**Notes to financial statements (continued)**  
**Year ended 31 December 2016**

**30. Controlling party**

The company is controlled by R C Tuxford by virtue of his 100% shareholding and day to day involvement in the company.