

Heltor Limited

Annual Report and Consolidated Financial Statements Year Ended 31 August 2019

Registration number: 00686375

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Heltor Limited

Contents

Company Information	1
Strategic Report	2
Directors' Report	3
Statement of Directors' Responsibilities	4
Independent Auditor's Report	5 to 7
Consolidated Profit and Loss Account	8
Consolidated Balance Sheet	9
Balance Sheet	10
Consolidated Statement of Changes in Equity	11
Statement of Changes in Equity	12
Consolidated Statement of Cash Flows	13
Notes to the Financial Statements	14 to 32

Heltor Limited

Company Information

Directors Mr P J Kingdon
 Mrs L M Kingdon
 Mr C P Kingdon
 Mr R P Kingdon

Company secretary Mr N M Gratton

Registered office Heathfield
 Newton Abbot
 TQ12 6RW

Auditors PKF Francis Clark
 Statutory Auditor
 Centenary House
 Peninsula Park
 Rydon Lane
 Exeter
 EX2 7XE

Heltor Limited

Strategic Report

Year Ended 31 August 2019

The directors present their strategic report for the year ended 31 August 2019.

Principal activity

The principal activity of the company and group is the sale and distribution of oil and ancillary products. The company also receives income from warehousing and distribution activities.

Fair review of the business

The directors are pleased with the group's performance during the year. Turnover has continued to increase, and fuel prices during the year have resulted in comparable gross margin. The group continues to manage its distribution and administrative expenses well, resulting in an overall increase to profit before tax.

The key performance indicators of the group are turnover and gross margin, which are detailed in the consolidated profit and loss account on page 8. No other KPI analysis is considered necessary for an understanding of the development, performance and position of the group.

Principal risks and uncertainties

The primary risk facing the group comes from the demand for fuel, a significant factor in which is weather conditions. The directors continually monitor all relevant circumstances to ensure that optimal purchasing decisions are made. In addition, the group has diversification through its warehousing and distribution activities.

The group also faces risk from oil prices and general competition in the market place. This risk is managed as noted under financial risk management objectives and policies in the Directors' Report.

In addition, as a result of the EU referendum decision to leave the European Union, the group faces an additional set of risks and uncertainties as well as opportunities. The ramifications of this decision and the effects on the group are still not clear at the current time. The current resources of the group provide a strong base to continue our trading strategy and to consider any new opportunities which may be presented.

Approved by the Board on 20-12-2019 and signed on its behalf by:


.....
Mr C P Kingdon
Director

Heltor Limited

Directors' Report

Year Ended 31 August 2019

The directors present their report and the for the year ended 31 August 2019.

Directors of the group

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

Mr P J Kingdon

Mrs L M Kingdon

Mr C P Kingdon

The following director was appointed after the year end:

Mr R P Kingdon (appointed 10 December 2019)

Dividends

A dividend of £1,100,000 (2018: £nil) was paid during the year.

Financial instruments

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

The group's principal financial instruments comprise bank balances and overdrafts (including an invoice discounting facility), trade creditors, trade debtors and finance lease/hire purchase agreements. The main purpose of these instruments is to raise funds for the group's operations and to finance those operations.

The group's approach to managing liquidity risk in respect of bank balances is managed by maintaining a balance between the continuity of funding and flexibility through the use of an overdraft, invoice discounting facility and by ensuring that the group works within its existing facilities.


The group is a lessee in respect of finance lease/hire purchase assets. The liquidity risk is managed by ensuring that the group has sufficient funds to meet payments due under the agreements as they fall due.

The group is exposed to price movements in the market place, both local and global. Management monitor price movements and trends closely in order manage the risk and maintain margin.

Disclosure of information to the auditor

Each director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Approved by the Board on 20-12-2019 and signed on its behalf by:


.....
Mr C P Kingdon
Director

Heltor Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Heltor Limited

Independent Auditor's Report to the Members of Heltor Limited

Opinion

We have audited the financial statements of Heltor Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 August 2019, which comprise the Consolidated Profit and Loss Account, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Changes in Equity, Statement of Changes in Equity, Consolidated Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 August 2019 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

Heltor Limited

Independent Auditor's Report to the Members of Heltor Limited

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Heltor Limited

Independent Auditor's Report to the Members of Heltor Limited

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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



.....
Glenn Nicol (Senior Statutory Auditor)
PKF Francis Clark, Statutory Auditor

Centenary House
Peninsula Park
Rydon Lane
Exeter
EX2 7XE

Date: 2 January 2020

Heltor Limited

Consolidated Profit and Loss Account

Year Ended 31 August 2019

	Note	2019 £	2018 £
Turnover	3	61,689,068	60,705,891
Cost of sales		<u>(54,921,772)</u>	<u>(54,239,718)</u>
Gross profit		6,767,296	6,466,173
Distribution costs		(3,681,881)	(3,587,827)
Administrative expenses		(2,087,953)	(2,105,795)
Other operating income	4	<u>488,084</u>	<u>529,416</u>
Operating profit	5	1,485,546	1,301,967
Interest payable and similar charges	9	<u>(50,314)</u>	<u>(43,435)</u>
Profit before tax		1,435,232	1,258,532
Taxation	10	<u>(279,859)</u>	<u>(275,056)</u>
Profit for the financial year		<u>1,155,373</u>	<u>983,476</u>
Profit/(loss) attributable to:			
Owners of the company		<u>1,155,373</u>	<u>983,476</u>

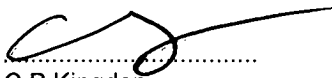
Heltor Limited

Consolidated Balance Sheet

31 August 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	11	686,036	780,122
Tangible assets	12	2,798,649	2,422,025
Investment property	13	3,430,000	3,430,000
		<u>6,914,685</u>	<u>6,632,147</u>
Current assets			
Stocks	15	639,888	743,279
Debtors	16	5,664,048	6,549,018
Cash at bank and in hand		1,250,622	433,673
		<u>7,554,558</u>	<u>7,725,970</u>
Creditors: Amounts falling due within one year	18	<u>(7,586,050)</u>	<u>(7,963,259)</u>
Net current liabilities		<u>(31,492)</u>	<u>(237,289)</u>
Total assets less current liabilities		6,883,193	6,394,858
Creditors: Amounts falling due after more than one year	18	(587,184)	(183,222)
Provisions for liabilities		<u>(267,000)</u>	<u>(238,000)</u>
Net assets		<u>6,029,009</u>	<u>5,973,636</u>
Capital and reserves			
Called up share capital	23	1,326	1,326
Capital redemption reserve	22	778	778
Other reserves	22	793,488	793,488
Profit and loss account	22	5,233,417	5,178,044
Total equity		<u>6,029,009</u>	<u>5,973,636</u>

Approved and authorised by the Board on 20-12-2019 and signed on its behalf by:



 Mr C P Kingdon
 Director

Company Registration Number: 00686375


Heltor Limited

Balance Sheet

31 August 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	11	297,292	336,496
Tangible assets	12	2,710,064	2,329,322
Investment property	13	3,430,000	3,430,000
Investments	14	619,160	619,160
		<u>7,056,516</u>	<u>6,714,978</u>
Current assets			
Stocks	15	570,291	683,568
Debtors	16	5,900,747	6,687,652
Cash at bank and in hand		825,306	83,185
		<u>7,296,344</u>	<u>7,454,405</u>
Creditors: Amounts falling due within one year	18	<u>(7,500,310)</u>	<u>(7,853,796)</u>
Net current liabilities		<u>(203,966)</u>	<u>(399,391)</u>
Total assets less current liabilities		6,852,550	6,315,587
Creditors: Amounts falling due after more than one year	18	(587,184)	(183,222)
Provisions for liabilities		<u>(260,000)</u>	<u>(231,000)</u>
Net assets		<u>6,005,366</u>	<u>5,901,365</u>
Capital and reserves			
Called up share capital		1,326	1,326
Capital redemption reserve		778	778
Other reserves		793,488	793,488
Profit and loss account		<u>5,209,774</u>	<u>5,105,773</u>
Total equity		<u>6,005,366</u>	<u>5,901,365</u>

Approved and authorised by the Board on 20.12.2019 and signed on its behalf by:



 Mr C P Kingdon
 Director

Company Registration Number: 00686375

Heltor Limited

Consolidated Statement of Changes in Equity Year Ended 31 August 2019

	Share capital £	Capital redemption reserve £	Other reserves £	Profit and loss account £	Total equity £
At 1 September 2018	1,326	778	793,488	5,178,044	5,973,636
Profit for the year	-	-	-	1,155,373	1,155,373
Total comprehensive income	-	-	-	1,155,373	1,155,373
Dividends	-	-	-	(1,100,000)	(1,100,000)
New share capital subscribed	1,326	-	-	-	1,326
Cancellation of shares	(1,326)	-	-	-	(1,326)
At 31 August 2019	1,326	778	793,488	5,233,417	6,029,009
	Share capital £	Capital redemption reserve £	Other reserves £	Profit and loss account £	Total equity £
At 1 September 2017	1,326	778	801,488	4,186,568	4,990,160
Profit for the year	-	-	-	983,476	983,476
Total comprehensive income	-	-	-	983,476	983,476
Transfers	-	-	(8,000)	8,000	-
At 31 August 2018	1,326	778	793,488	5,178,044	5,973,636

The notes on pages 14 to 32 form an integral part of these financial statements.
Page 11

Heltor Limited

Statement of Changes in Equity

Year Ended 31 August 2019

	Share capital £	Capital redemption reserve £	Other reserves £	Profit and loss account £	Total £
At 1 September 2018	1,326	778	793,488	5,105,773	5,901,365
Profit for the year	-	-	-	1,204,001	1,204,001
Total comprehensive income	-	-	-	1,204,001	1,204,001
Dividends	-	-	-	(1,100,000)	(1,100,000)
New share capital subscribed	1,326	-	-	-	1,326
Cancellation of shares	(1,326)	-	-	-	(1,326)
At 31 August 2019	1,326	778	793,488	5,209,774	6,005,366
	Share capital £	Capital redemption reserve £	Other reserves £	Profit and loss account £	Total £
At 1 September 2017	1,326	778	801,488	4,205,269	5,008,861
Profit for the year	-	-	-	892,504	892,504
Total comprehensive income	-	-	-	892,504	892,504
Transfers	-	-	(8,000)	8,000	-
At 31 August 2018	1,326	778	793,488	5,105,773	5,901,365

The notes on pages 14 to 32 form an integral part of these financial statements.
Page 12

Heltor Limited

Consolidated Statement of Cash Flows

Year Ended 31 August 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Profit for the year		1,155,373	983,476
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	703,245	669,159
Profit on disposal of tangible assets		(47,240)	(15,693)
Finance costs	9	50,314	43,435
Corporation tax expense	10	279,859	275,056
		<u>2,141,551</u>	<u>1,955,433</u>
Working capital adjustments			
Decrease/(increase) in stocks	15	103,391	(273,428)
Decrease/(increase) in trade debtors	16	884,970	(1,570,238)
(Decrease)/increase in trade creditors	18	(710,101)	1,585,089
Cash generated from operations		<u>2,419,811</u>	<u>1,696,856</u>
Income taxes paid	10	(275,286)	(103,337)
Net cash flow from operating activities		<u>2,144,525</u>	<u>1,593,519</u>
Cash flows from investing activities			
Acquisitions of tangible assets		(1,011,806)	(271,675)
Proceeds from sale of tangible assets		<u>73,261</u>	<u>27,801</u>
Net cash flows from investing activities		<u>(938,545)</u>	<u>(243,874)</u>
Cash flows from financing activities			
Interest paid	9	(50,314)	(43,435)
Proceeds from bank borrowing draw downs		1,166,558	-
Repayment of bank borrowing		(97,129)	-
Repayment of other borrowing		(100,000)	-
Inflow from new finance lease agreements		381,847	144,510
Capital repayment of finance leases		(391,732)	(524,459)
Dividends paid		<u>(1,100,000)</u>	<u>-</u>
Net cash flows from financing activities		<u>(190,770)</u>	<u>(423,384)</u>
Net increase in cash and cash equivalents		1,015,210	926,261
Cash and cash equivalents at 1 September		<u>230,508</u>	<u>(695,753)</u>
Cash and cash equivalents at 31 August	17	<u>1,245,718</u>	<u>230,508</u>

The notes on pages 14 to 32 form an integral part of these financial statements.

Heltor Limited

Notes to the Financial Statements

Year Ended 31 August 2019

1 General information

The company is a private company limited by share capital, incorporated in England.

The address of its registered office is:

Heathfield
Newton Abbot
TQ12 6RW

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. There are no material departures from FRS 102.

The functional currency of Heltor Limited is considered to be pounds sterling because it is the currency of the primary economic environment in which the company and group operates.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with.

The company has taken advantage of the following exemptions:

- i. from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included within these financial statements, includes the company's cash flows; and
- ii. certain financial instrument disclosures.

The company has taken advantage of the exemption in FRS 102 from disclosing transactions with group companies.

Heltor Limited

Notes to the Financial Statements

Year Ended 31 August 2019

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 August 2019.

As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

The results of subsidiaries acquired or disposed of during the year are included in the Profit and Loss Account from the effective date of acquisition or up to the effective date of disposal, as appropriate.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Revenue recognition

The turnover shown in the Profit and Loss Account represents amounts invoiced during the year, exclusive of Value Added Tax. The main sources of income are recognised on the following basis:

Fuel income is recognised when deliveries are made to customers.

Haulage income is recognised when goods are delivered to customers.

Rental income (within other operating income) is recognised on a straight-line basis over the term of the lease.

Tax

Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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

Deferred tax is recognised on all timing differences at the balance sheet date unless indicated below. Timing differences are differences between taxable profits and the results as stated in the consolidated profit and loss account and other comprehensive income. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Heltor Limited

Notes to the Financial Statements

Year Ended 31 August 2019

Tangible assets

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

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

Depreciation

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

Asset class	Depreciation method and rate
Freehold property (included in Land and buildings)	2% per annum on cost
Leasehold property (included in Land and buildings)	4% per annum on cost
Furniture, fittings and equipment	15% - 25% per annum on cost
Motor vehicles	20% - 33% per annum on cost
Other property, plant and equipment	15% - 20% per annum on cost

Investment properties

Investment properties are carried at fair value, derived from the current market prices for comparable real estate determined annually by the directors.

Changes in fair value are recognised in profit or loss. At the balance sheet date any changes in fair value are transferred from retained earnings to an other reserve. Deferred tax relating to investment property revaluations follow the same treatment.

Goodwill

Positive purchased goodwill arising on acquisitions is capitalised, classified as an asset on the Balance Sheet and amortised over its estimated useful life. Goodwill is reviewed for impairment as and when necessary if circumstances emerge that indicate that the carrying value may not be recoverable.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	Straight line over 10 years

Investments

Investments in subsidiary companies are initially recognised at cost less provision for impairment.

Dividends on equity securities are recognised in income when receivable.

Inventories

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

Heltor Limited

Notes to the Financial Statements

Year Ended 31 August 2019

Leases

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

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

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

Defined contribution pension obligation

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

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

Financial instruments

Classification

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

Recognition and measurement

The group has the following financial instruments:

Short-term trade and other debtors and creditors, bank loans and invoice discounting facility;
Group balances;
Cash and bank balances;
Finance lease liabilities; and
Long term other borrowings

All financial instruments are classified as basic, except for finance lease liabilities and long term borrowings which are initially measured at transaction price. Long term instruments are initially measured at transaction price and are subsequently measured at amortised cost using the effective interest rate method. Finance lease liabilities are recognised and measured in accordance with the lease accounting policy.

Heltor Limited

Notes to the Financial Statements

Year Ended 31 August 2019

Critical accounting judgements and key sources of estimation uncertainty

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

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

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below.

Investment properties - as described within the accounting policies, the investment properties are held at the balance sheet date at their market value. The directors have made judgements surrounding current and expected future rental yields of investment properties in order to calculate current market values.

3 Revenue

The analysis of the group's turnover for the year by market is as follows:

	2019 £	2018 £
UK	<u>61,689,068</u>	<u>60,705,891</u>

4 Other operating income

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

	2019 £	2018 £
Rental income	431,949	428,648
Other operating income	<u>56,135</u>	<u>100,768</u>
	<u>488,084</u>	<u>529,416</u>

5 Operating profit

Arrived at after charging/(crediting)

	2019 £	2018 £
Depreciation expense	609,159	575,073
Amortisation expense	94,086	94,086
Profit on disposal of property, plant and equipment	<u>(47,240)</u>	<u>(15,693)</u>

Heltor Limited

Notes to the Financial Statements

Year Ended 31 August 2019

6 Staff costs

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

	2019	2018
	£	£
Wages and salaries	2,443,715	2,356,440
Social security costs	258,037	256,311
Pension costs, defined contribution scheme	161,185	142,135
	<u>2,862,937</u>	<u>2,754,886</u>

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

	2019	2018
	No.	No.
Administration and support	30	33
Distribution	46	46
Other departments	3	3
	<u>79</u>	<u>82</u>

7 Directors' remuneration

The directors' remuneration for the year was as follows:

	2019	2018
	£	£
Remuneration	160,355	217,434
Contributions paid to money purchase schemes	60,000	56,000
	<u>220,355</u>	<u>273,434</u>

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

	2019	2018
	No.	No.
Accruing benefits under money purchase pension scheme	<u>2</u>	<u>2</u>

In respect of the highest paid director:

	2019	2018
	£	£
Remuneration	104,755	94,369
Company contributions to money purchase pension schemes	<u>60,000</u>	<u>-</u>

Heltor Limited

Notes to the Financial Statements

Year Ended 31 August 2019

8 Auditor's remuneration

	2019	2018
	£	£
Audit of these financial statements	<u>17,500</u>	<u>17,500</u>

9 Interest payable and similar expenses

	2019	2018
	£	£
Interest on bank overdrafts and borrowings	45,759	27,872
Interest on obligations under finance leases and hire purchase contracts	<u>4,555</u>	<u>15,563</u>
	<u>50,314</u>	<u>43,435</u>

Heltor Limited

Notes to the Financial Statements

Year Ended 31 August 2019

10 Taxation

Tax charged/(credited) in the profit and loss account

	2019 £	2018 £
Current taxation		
UK corporation tax	257,000	281,000
UK corporation tax adjustment to prior periods	(6,141)	56
	<u>250,859</u>	<u>281,056</u>
Deferred taxation		
Arising from origination and reversal of timing differences	29,000	(17,676)
Adjustments in respect of prior periods	-	11,676
Total deferred taxation	<u>29,000</u>	<u>(6,000)</u>
Tax expense in the income statement	<u>279,859</u>	<u>275,056</u>

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2018 - higher than the standard rate of corporation tax in the UK) of 19% (2018 - 19%).

The differences are reconciled below:

	2019 £	2018 £
Profit before tax	<u>1,435,232</u>	<u>1,258,532</u>
Corporation tax at standard rate	272,694	239,121
Effect of expense not deductible in determining taxable profit (tax loss)	22,531	17,260
Deferred tax expense relating to changes in tax rates or laws	-	11,676
Adjustment in respect of prior periods	(5,273)	56
Tax decrease arising from group relief	(6,775)	-
Other tax effects for reconciliation between accounting profit and tax expense (income)	<u>(3,318)</u>	<u>6,943</u>
Total tax charge	<u>279,859</u>	<u>275,056</u>

Heltor Limited

Notes to the Financial Statements

Year Ended 31 August 2019

Deferred tax

Group

Deferred tax assets and liabilities

	Liability £
2019	
Difference between accumulated depreciation and amortisation and capital allowances	110,000
In relation to Investment properties held at fair value	157,000
	<u>267,000</u>
2018	
Difference between accumulated depreciation and amortisation and capital allowances	81,000
In relation to Investment properties held at fair value	157,000
	<u>238,000</u>

Company

Deferred tax assets and liabilities

	Liability £
2019	
In relation to Investment properties held at fair value	157,000
Difference between accumulated depreciation and amortisation and capital allowances	103,000
	<u>260,000</u>
2018	
In relation to Investment properties held at fair value	157,000
Difference between accumulated depreciation and amortisation and capital allowances	74,000
	<u>231,000</u>

Heltor Limited

Notes to the Financial Statements

Year Ended 31 August 2019

11 Intangible assets

Group

	Goodwill £	Total £
Cost		
At 1 September 2018	940,851	940,851
At 31 August 2019	940,851	940,851
Amortisation		
At 1 September 2018	160,729	160,729
Amortisation charge	94,086	94,086
At 31 August 2019	254,815	254,815
Carrying amount		
At 31 August 2019	686,036	686,036
At 31 August 2018	780,122	780,122

Company

	Goodwill £	Total £
Cost		
At 1 September 2018	1,623,962	1,623,962
At 31 August 2019	1,623,962	1,623,962
Amortisation		
At 1 September 2018	1,287,466	1,287,466
Amortisation charge	39,204	39,204
At 31 August 2019	1,326,670	1,326,670
Carrying amount		
At 31 August 2019	297,292	297,292
At 31 August 2018	336,496	336,496

Heltor Limited

Notes to the Financial Statements

Year Ended 31 August 2019

12 Tangible assets

Group

	Freehold land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Other property, plant and equipment £	Total £
Cost					
At 1 September 2018	857,416	240,201	4,421,600	890,543	6,409,760
Additions	202,991	4,528	783,289	20,998	1,011,806
Disposals	-	(6,525)	(350,362)	-	(356,887)
At 31 August 2019	<u>1,060,407</u>	<u>238,204</u>	<u>4,854,527</u>	<u>911,541</u>	<u>7,064,679</u>
Depreciation					
At 1 September 2018	131,511	200,641	2,909,494	746,089	3,987,735
Charge for the year	11,765	12,326	551,590	33,480	609,161
Eliminated on disposal	-	(6,525)	(324,341)	-	(330,866)
At 31 August 2019	<u>143,276</u>	<u>206,442</u>	<u>3,136,743</u>	<u>779,569</u>	<u>4,266,030</u>
Carrying amount					
At 31 August 2019	<u>917,131</u>	<u>31,762</u>	<u>1,717,784</u>	<u>131,972</u>	<u>2,798,649</u>
At 31 August 2018	<u>725,905</u>	<u>39,560</u>	<u>1,512,106</u>	<u>144,454</u>	<u>2,422,025</u>

Assets held under finance leases and hire purchase contracts

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

	2019 £	2018 £
Motor vehicles	<u>532,142</u>	<u>683,046</u>

Heltor Limited

Notes to the Financial Statements

Year Ended 31 August 2019

Company

	Freehold land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Other property, plant and equipment £	Total £
Cost					
At 1 September 2018	857,416	236,846	4,397,763	795,531	6,287,556
Additions	202,991	-	783,289	10,000	996,280
Disposals	-	(6,525)	(347,772)	-	(354,297)
At 31 August 2019	<u>1,060,407</u>	<u>230,321</u>	<u>4,833,280</u>	<u>805,531</u>	<u>6,929,539</u>
Depreciation					
At 1 September 2018	131,511	199,971	2,898,465	728,287	3,958,234
Charge for the year	11,765	11,216	547,137	19,399	589,517
Eliminated on disposal	-	(6,525)	(321,751)	-	(328,276)
At 31 August 2019	<u>143,276</u>	<u>204,662</u>	<u>3,123,851</u>	<u>747,686</u>	<u>4,219,475</u>
Carrying amount					
At 31 August 2019	<u>917,131</u>	<u>25,659</u>	<u>1,709,429</u>	<u>57,845</u>	<u>2,710,064</u>
At 31 August 2018	<u>725,905</u>	<u>36,875</u>	<u>1,499,298</u>	<u>67,244</u>	<u>2,329,322</u>

Assets held under finance leases and hire purchase contracts

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

	2019 £	2018 £
Motor vehicles	<u>532,142</u>	<u>683,046</u>

Heltor Limited

Notes to the Financial Statements

Year Ended 31 August 2019

13 Investment properties

Group and company

Fair value

	2019 £
At 1 September 2018	<u>3,430,000</u>
At 31 August 2019	<u><u>3,430,000</u></u>

Investment properties are included in the balance sheet at directors' valuation as at 31 August 2019, based on an existing use open market value. One of the directors is a chartered surveyor.

14 Investments

Company

	2019 £	2018 £
Investments in subsidiaries	<u>619,160</u>	<u>619,160</u>
Subsidiaries		£
Cost		
At 1 September 2018 and 31 August 2019		<u>619,160</u>
Carrying amount		
At 31 August 2019		<u>619,160</u>
At 31 August 2018		<u><u>619,160</u></u>

Heltor Limited

Notes to the Financial Statements

Year Ended 31 August 2019

Details of undertakings

Details of the investments in which the company holds the nominal value of any class of share capital are as follows:

Undertaking	Holding	Proportion of voting rights and shares held	
		2019	2018
Subsidiary undertakings			
Heathfield Terminal Company Limited (non trading)	Ordinary shares	100%	100%
Hop Oils Limited (dormant)	Ordinary shares	100%	100%
Devon fuels Limited (dormant)	Ordinary shares	100%	100%
Cornwall Fuels Limited (dormant)	Ordinary shares	100%	100%
Monument Fuels Limited	Ordinary	100%	100%

The registered office of all subsidiaries is the same as the company shown on page 1. All subsidiaries are registered in England and Wales.

The principal activity of Monument Fuels Limited is the sale and distribution of oil and ancillary products. All other subsidiaries are either dormant or non trading.

15 Stocks

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Other inventories	<u>639,888</u>	<u>743,279</u>	<u>570,291</u>	<u>683,568</u>

Heltor Limited

Notes to the Financial Statements

Year Ended 31 August 2019

16 Debtors

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Trade debtors	4,616,143	5,667,839	4,449,453	5,512,231
Amounts due from group undertakings	506,600	-	940,185	353,813
Other debtors	491,210	639,511	462,584	579,940
Prepayments	50,095	241,668	48,525	241,668
	<u>5,664,048</u>	<u>6,549,018</u>	<u>5,900,747</u>	<u>6,687,652</u>

17 Cash and cash equivalents

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Cash on hand	3,282	4,003	3,282	4,003
Cash at bank	1,247,340	429,670	822,024	79,182
	<u>1,250,622</u>	<u>433,673</u>	<u>825,306</u>	<u>83,185</u>
Bank overdrafts	(4,904)	(203,165)	(4,904)	(203,165)
Cash and cash equivalents in statement of cash flows	<u>1,245,718</u>	<u>230,508</u>	<u>820,402</u>	<u>(119,980)</u>

18 Creditors

		Group		Company	
	Note	2019	2018	2019	2018
		£	£	£	£
Due within one year					
Loans and borrowings	19	815,567	458,246	815,567	458,246
Trade creditors		5,908,519	6,566,155	5,875,632	6,497,390
Amounts due to group undertakings		-	-	1,302	1,302
Social security and other taxes		123,683	86,470	123,683	86,470
Accrued expenses		481,281	570,961	467,126	564,961
Corporation tax		257,000	281,427	217,000	245,427
		<u>7,586,050</u>	<u>7,963,259</u>	<u>7,500,310</u>	<u>7,853,796</u>
Due after one year					
Loans and borrowings	19	<u>587,184</u>	<u>183,222</u>	<u>587,184</u>	<u>183,222</u>

Heltor Limited

Notes to the Financial Statements

Year Ended 31 August 2019

19 Loans and borrowings

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Non-current loans and borrowings				
Bank borrowings	511,352	-	511,352	-
Finance lease liabilities	75,832	83,222	75,832	83,222
Other borrowings	-	100,000	-	100,000
	<u>587,184</u>	<u>183,222</u>	<u>587,184</u>	<u>183,222</u>

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Current loans and borrowings				
Bank borrowings	558,077	-	558,077	-
Bank overdrafts	4,904	203,165	4,904	203,165
Finance lease liabilities	<u>252,586</u>	<u>255,081</u>	<u>252,586</u>	<u>255,081</u>
	<u>815,567</u>	<u>458,246</u>	<u>815,567</u>	<u>458,246</u>

Bank overdrafts are secured via a legal charge over certain land owned by the company.

Finance lease obligations are secured against the assets to which they relate.

Bank borrowings comprise a bank loan and an invoice discounting facility.

The bank loan expires in December 2023, it is subject to monthly capital repayments and is subject to a fixed rate of interest of 4.19%. It is secured via a legal charge over certain freehold land owned by the company.

The invoice discounting facility is secured over the trade debtors of the company, along with an unlimited guarantee over the assets of the parent company Heltor Holdings Limited, and the subsidiary Monument Fuels Limited.

Other borrowings are unsecured.

Heltor Limited

Notes to the Financial Statements

Year Ended 31 August 2019

20 Obligations under leases and hire purchase contracts

Company & Group

Finance leases

The total of future minimum lease payments is as follows:

	2019 £	2018 £
Not later than one year	252,586	255,081
Later than one year and not later than five years	75,832	83,222
	<u>328,418</u>	<u>338,303</u>

Operating leases

The total of future minimum lease payments is as follows:

	2019 £	2018 £
Not later than one year	49,744	69,997
Later than one year and not later than five years	35,831	30,948
	<u>85,575</u>	<u>100,945</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £136,171 (2018 - £141,922).

Operating leases - lessor

The total of future minimum lease payments is as follows:

	2019 £	2018 £
Not later than one year	266,260	339,926
Later than one year and not later than five years	452,219	512,911
Later than five years	135,000	195,000
	<u>853,479</u>	<u>1,047,837</u>

21 Pension and other schemes

Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £161,185 (2018 - £142,135).

Heltor Limited

Notes to the Financial Statements

Year Ended 31 August 2019

22 Reserves

Company

Capital redemption reserve

The capital redemption reserve is a reserve created on the purchase of own shares.

Other reserve

The other reserve represents the difference between the historical cost of investment properties and their current carrying value (being the their current market value). Changes in fair value of investment properties are initially taken to profit or loss and are subsequently transferred into the other reserve at the year end.

Profit and loss account

This profit and loss account represents retained earnings less any dividends paid or transfers to the other reserve, in respect of movements in fair value of investment properties.

23 Share capital

Allotted, called up and fully paid shares

	2019 No.	£	2018 No.	£
Ordinary shares of £1 each	<u>1,326</u>	<u>1,326</u>	<u>1,326</u>	<u>1,326</u>

24 Dividends

Interim dividends paid

	2019 £	2018 £
Interim dividend of £829.56 (2018 - £Nil) per each ordinary share	<u>1,100,000</u>	<u>-</u>

25 Commitments

Group and Company

Capital commitments

The total amount contracted for but not provided in the financial statements was £317,906 (2018 - £512,670).

Heltor Limited

Notes to the Financial Statements

Year Ended 31 August 2019

26 Related party transactions

Group and Company

Directors

Certain directors have a current account with the company. At the year end, the amount owed by these directors, to the company, was £4,656 (2018: £1,571).

Certain directors have also made a long term loan to the company, included in other borrowings. At the balance sheet date the amount due to the certain directors in relation to this loan was £nil (2018: £100,000).

The company made a loan to one of the directors, included in other debtors. At the balance sheet date the amount due to the company in relation to this loan was £nil (2018: £171,448).

During the year a new holding company was inserted into the group via a reorganisation. As part of this reorganisation, the 1326 ordinary shares held by Mr P J Kingdon were cancelled and 1326 new ordinary shares were issued as part of a two-step process to this new holding company, Heltor Holdings Limited, of which Mr P J Kingdon is a shareholder and director.

The directors are also considered to be the key management personnel of the company. Please refer to note 7 for their remuneration.

27 Parent and ultimate parent undertaking

The company's immediate and ultimate parent company is Heltor Holdings Limited, incorporated in England and Wales.

Heltor Holdings Limited is the parent undertaking of the largest and smallest group of undertakings for which group financial statements are drawn up. These financial statements are available upon request from its registered office, Heathfield, Newton Abbot, Devon, TQ12 6RW.