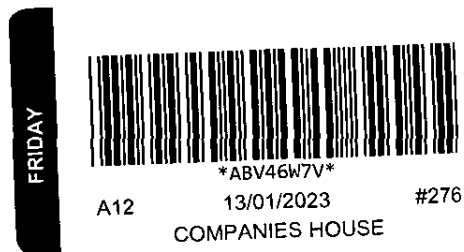


Suttons International Limited

Company Number 00914137

Annual Report and Financial Statements - 30 April 2022



Suttons International Limited
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30 April 2022

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Suttons International Limited
Corporate directory
30 April 2022

Directors	J M Sutton K Broom D M Kehoe
Company secretary	N Wignall Jennings
Registered office	Gorsev Lane Widnes Cheshire WA8 0GG
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 1 Hardman Square Manchester M3 3EB
Bankers	HSBC Bank plc 99-101 Lord Street Liverpool Merseyside L2 6PG

Suttons International Limited
Strategic report
30 April 2022

The directors present the Strategic report of Suttons International Limited (the "company") for the year ended 30 April 2022.

Review of the business

The company and its global subsidiaries continued to experience volatile market conditions driven by the initial Covid-19 pandemic and the resulting global supply chain disruption. This volatility has given rise to challenges and opportunities that our commercial, operational and support functions have addressed. Favourable trends in market conditions, effective network balancing and improved pricing and margins have led to continual and consistent improvement in financial performance across the financial year. Demand and margins have remained high into the first quarter of the 2023 financial year.

In January 2022 the company completed the acquisition of VTG Tanktainer GmbH's ('VTG') deep sea activities through a trade and assets deal. During the last quarter of the year good progress has been made in integrating the acquired activities into those of the existing business. As a result of the acquisition, we have welcomed a significant number of new colleagues into the business and gained a number of new operating locations strengthening our global network.

Market disruption, integration of the acquisition and continual investment in global structures and systems has required a number of strategic H.R. initiatives focused on recruitment and retention of colleagues. These initiatives coupled with the company's previous investments in I.T. hardware and systems have allowed our global teams to adopt flexible/hybrid working approaches where suitable, which not only enables a positive cultural change, but also creates additional contingency in the case of any further pandemic or similar events in the future and enables much broader talent acquisition options.

Principal risks, uncertainties and financial risks

The following principal risks, uncertainties and financial risks are those identified by the directors.

Covid-19

The company and its subsidiaries have been impacted by the direct and indirect results of the Covid 19 pandemic over the last two years. The direct impacts have resulted from lockdowns in various countries preventing staff from attending our offices. Our initial contingency plans worked well allowing us to operate effectively with staff working from home. Over the last year we have continued to invest in new computer hardware and systems which have further enhanced this capability.

The indirect impact of Covid-19 has been disruption to the global supply chain with ongoing disruption to shipping, ports, road haulage and depot activities. Over the last two years our staff, in particular our operational teams, have demonstrated their ability to adapt to this disruption and to continue to meet our customers' needs and generate operating profits. The directors are confident that cash flow and working capital is under control and that the company and its subsidiaries have sufficient headroom to deal with any unforeseen worsening of the situation.

Energy (Oil) and Cost Inflation

The company has exposure to oil and cost inflation due to the nature of its core business (haulage and shipping) however mechanisms are in place to pass these costs to its customers via surcharges which limits the risk to the company.

Russia/Ukraine conflict

The company has no significant direct exposure to the conflict in the Ukraine having no operations in the Ukraine or Russia. The increased fuel and energy prices linked to the conflict are mitigated via our pricing structures.

Suttons International Limited
Strategic report
30 April 2022

Financial risk management

The company's operations expose it to a variety of financial risks which derive from market volatility, pricing, credit and foreign exchange exposure. The Board closely monitor these risks so as to limit any adverse impact of financial performance. It also ensures that the company's liquidity and cash flow is maintained through the use of long- and short-term financial instruments, as necessary, to support its operational and funding requirements.

The company's turnover from continuing operations increased from £41.9m in 2021 to £63.9m in 2022. The increase in turnover arose due to a number of factors including pass through of increased freight and haulage costs arising from disruption in the global supply chain and the acquisition of VTG Tanktainer's deep sea activities in the last 4 months of the year.

The company achieved an operating profit of £0.5m in the year to April 2022 compared to a loss of £5.1m in 2021. The prior year result included an exceptional administrative expense of £4.2m, relating to a write-off of an intercompany balance with one of its subsidiary companies, Suttons International Singapore PTE Ltd. In the current year, with no exceptional administrative expenses, and with an increased gross profit of £12.1m (2021: £6.3m), the loss for the year before taxation amounted to £0.4m (2021 loss of: £5.9m). These results do not include profits earned by the company's subsidiary companies which are consolidated into the group accounts published by the ultimate parent company, Thomas Cradley Group Holdings Limited.

Financial key performance indicators

The company uses a number of financial and non-financial KPI's when reviewing performance which include, but are not limited to:

- revenue per job,
- margin per job,
- margin per tank day,
- tank utilization,
- loads per tank and,
- staff turnover.

These are regularly reviewed by the Board and management team and the directors are encouraged by an improving performance in these metrics during the year. Actual performance is not reported as these measures are considered commercially sensitive.

Climate change

The world's response to climate change is driving a transformation of the global business landscape. Delivering the UK's binding commitment to net zero emissions by 2050 requires far-reaching changes in every aspect of the economy including the sectors in which we operate.

Suttons International Limited is committed to positively responding to the impact of climate change. We have introduced a number of initiatives including carbon footprint measurement, installing EV charge points at our offices, offering our staff the option of electric company cars, promoting the cycle to work scheme and increasing time spent working from home. We have also reduced our paper use by reducing printing, the phasing out of paper-based files and recycling of wastepaper. We are also monitoring the development of alternatively fueled transport technology including ships, trains and trucks so that we are well placed to adopt them once commercially viable solutions are available.

Future developments

The company has a strategic plan which is focused on using technology, investing in new assets and developing its team to deliver the highest levels of customer service and outstanding value of money. The focus remains on delivering training to all staff to embed the "Suttons Way" of operating consistently across its global operations, delivering ever improving service levels and improving internal and external management information to drive improved performance and efficiency.

Suttons International Limited
Strategic report
30 April 2022

Section 172(1) statement

The directors satisfy their duty to promote the long term success of the company whilst having regard to the matters and stakeholders as described in Section 172, points (a) to (f) of the Companies Act 2006 through the adherence to its corporate governance framework. The success of the business is dependent on the support of all of its stakeholders. Building positive relationships with stakeholders that share our values is important to us and working together towards shared goals assists us in delivering long-term sustainable success. The leadership team make decisions with a long-term view in mind and with the highest standards of conduct in line with company policy. The directors take care to have regard to the likely consequences on all stakeholders of the decisions and actions which they take. Where possible, decisions are carefully discussed with affected groups and are therefore fully understood and supported when taken.

Employee interests

The company recognises that the engagement of all colleagues is key to the future development of a successful and profitable business and as a result the board has implemented a process to measure and improve engagement. Regular communication with colleagues throughout the business is key to developing an effective business culture. All possible means, from face to face briefings by directors, CEO video briefings, to regular newsletters are employed to ensure that colleagues understand company performance, the challenges and opportunities we face and clearly communicate direction, strategy and objectives. Further information relating to the ways in which the Board engages with employees can be found in the Directors report.

Customer and supplier relationships

The company builds strong relationships with its customers and spends considerable time with them to understand their needs and how we can improve our service for them.

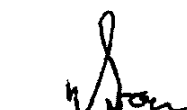
The company also builds strong relationships with its suppliers with the aim of building long-lasting partnerships. The Board recognises that relationships with suppliers are important to the company's long-term success and is briefed on feedback on a regular basis.

Environmental and community impact

Suttons International Limited is committed to positively responding to the impact of climate change. We have introduced a number of initiatives including; carbon footprint measurement, installing EV charge points at our offices, offering our staff the option of electric company cars, promoting the cycle to work scheme and increasing time spent working from home. We have also reduced our paper use by reducing printing, the phasing out of paper-based files and recycling of waste paper. We are also monitoring the development of alternatively fueled transport technology including ships, trains and trucks so that we are well placed to adopt them once commercially viable solutions are available.

This report is made in accordance with a resolution of directors

On behalf of the directors



K Broom
Director

9 December 2022

Suttons International Limited
Directors' report
30 April 2022

The directors present their report, together with the audited financial statements, on the company for the year ended 30 April 2022.

Principal activities

The principal activity of the company continued to be that of shipping and forwarding agents inter-alia the global transportation of bulk liquids and gases.

Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

J M Sutton
K Broom
D M Kehoe

Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company, and its subsidiaries, has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing these financial statements.

This is on the basis that the gross profit in the year almost doubled to £12.1m (2021: £6.3m), the operating profit increased to £0.5m (2021 loss of: £5.1m) and the company's net asset position remains strong at £12.6m (2021: £14.3m). The company is in a net current liability position of £20.4m (2021: net current liability of £19.7m) which is mainly due to short term borrowings being used to purchase fixed assets, which is essential to business operations and facilitates future growth. The company has access to The Thomas Cradley Group Holdings Limited banking facilities which include a net bank overdraft facility with a limit of £7m and a revolving finance facility with a limit of £22m. The net cash and revolving finance facility liabilities at 30 April 2022 was a liability of £2.4m (2021: £10.1m) meaning that there was headroom of £26.6m (2021: headroom of £20.0m) at the financial year end.

In assessing the appropriateness of adopting the going concern basis in the preparation of these financial statements, the directors have prepared cashflow forecasts and projections up to the period ending 31st December 2023. Their base assumptions assume that the performance of the business in the 5 months to September 2022 continues for the remainder of the forecast period and that the US\$ to GB£ exchange rate averages \$1.2048 to £1. A downside sensitivity has been modelled which assumes a 20% fall in revenue driven by either a slow down on demand, or, an increase in the exchange rate to \$1.4458:£1. Both the base case and sensitivity assume that the current group overdraft facility of £7m is not available after its current expiry date of April 2023 and invoice finance facility of £22m is not available after its current expiry date of July 2023, despite the fact that the directors are confident that both facilities will be renewed. Following careful consideration of both the base case and the downside sensitivity forecasts, the directors have reasonable expectations that the company has adequate resources to continue to operate for the period of at least twelve months from the date of the Report. As additional comfort a letter of support has been provided by the company's ultimate parent company.

Dividends

The company paid no dividends in 2021 or 2022.

Foreign branches

The company has five foreign branches which operate in Singapore, Malaysia, Germany, USA and the Netherlands.

Review of operations

The loss for the company after providing for income tax amounted to £1.7m (30 April 2021: £6.2m). These results do not include profits earned by the company's subsidiary companies which are consolidated into the Group accounts published by the ultimate parent company, Thomas Cradley Group Holdings.

Future developments

Information on likely future developments of the company are disclosed in the Strategic report.

Suttons International Limited
Directors' report
30 April 2022

Dividends

No interim dividends were paid. The directors do not recommend the payment of a final dividend (2021: £nil).

Equal opportunities

The company has clear policies to promote equal employment opportunities to every candidate regardless of their background and gender. Appointments will be made based upon the candidate's ability to meet the requirements of the job, not their background or gender. Opportunities for training and development are available, in equal measure, to all employees.

Employee engagement

The company recognises that the engagement of all colleagues is key to the future development of a successful and profitable business and as a result the board has implemented a process to measure and improve engagement. Regular communication with colleagues throughout the business is key to developing an effective business culture. All possible means, from face to face briefings by directors, CEO video briefings, to regular newsletters are employed to ensure that colleagues understand company performance, the financial and economic factors impacting its performance, the challenges and opportunities we face and clearly communicate direction, strategy and objectives.

The situation with Covid-19, meant that communication with all colleagues was mainly via digital media including regular video briefings and blogs due to continued restrictions on face to face meetings until early 2022. The company invested significantly in upgrading the IT equipment and providing hot desk solutions for employees to facilitate a blend of home and office working that increased flexibility and engagement for our colleagues. The company quarterly magazine, Teamtalk, is available for all employees to view online.

The directors have regard for the interests of colleagues when making decisions about the direction and performance of the business. During the year investments have continued to be made to facilitate more flexible working arrangements and improve recruitment and retention of colleagues.

The Board acknowledges and thanks employees for the efforts they have made to keep the business operating effectively and delivering excellent customer service throughout the pandemic.

Engagement with other stakeholders

The directors have regard for the interests of customers, suppliers and other stakeholders when making decisions about the direction and performance of the business. Regular dialogue is maintained with customers and suppliers through regular reviews and the company is a member of trade bodies that represent the interests of the industry.

Research and development

No research and development costs were incurred charitable or political donations were made during the year.

Charitable and political donations

No charitable or political donations were made during the year.

Streamline energy and carbon reporting

Information relating to the company energy and carbon reporting can be found in the ultimate parent (Thomas Cradley Group Holdings Limited) consolidated financial statements.

Post balance sheet events

At the signing date of these financial statements, there were no post balance sheet events that required disclosure.

Sections presented in the Strategic report

Information relating to company financial risk management can be found in the Strategic report.

Indemnity of directors

The company has indemnified the directors of the company for costs incurred, in their capacity as a director, for which they may be held personally liable, except where there is a lack of good faith.

Suttons International Limited
Directors' report
30 April 2022

Indemnity of directors

The company has indemnified the directors of the company for costs incurred, in their capacity as a director, for which they may be held personally liable, except where there is a lack of good faith.

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditors in connection with preparing its report, of which the auditors are unaware. Having made enquiries of fellow directors and the company's auditors, each director has taken all the steps that they are obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, Directors' 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 FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that year.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' has 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.

Independent auditors

The auditors PricewaterhouseCoopers LLP continue in office.

This report is made in accordance with a resolution of directors

On behalf of the directors



K Broom
Director

9 December 2022

Suttons International Limited

Independent auditor's report to the members of Suttons International Limited

Report on the audit of the financial statements

Opinion

In our opinion, Suttons International Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements - 30 April 2022 (the "Annual Report"), which comprise: the Balance sheet as at 30 April 2022; the Statement of comprehensive income and the Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Suttons International Limited

Independent auditor's report to the members of Suttons International Limited

Strategic report and Directors' report

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 year ended 30 April 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the European Agreement Concerning the International Carriage of Dangerous Goods by Road ("ADR") regulations and The IMDG Code, 2020 Edition ("IMDG"), and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006 and tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to manipulation of the financial statements through fictitious journal postings. Audit procedures performed by the engagement team included:

- Obtained an understanding of the legal and regulatory framework applicable to the company and how the company is complying with that framework;
- Discussed with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Review of relevant meeting minutes;
- Identified and tested journal entries, in particular any journal entries posted with unusual account combinations; and
- Challenged assumptions and judgements made by management in their significant accounting estimates.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Suttons International Limited

Independent auditor's report to the members of Suttons International Limited

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Helen Smuts

Helen Smuts (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester
12 December 2022

Suttons International Limited
Statement of comprehensive income
For the year ended 30 April 2022

	Note	2022 £'000	2021 £'000
Revenue			
Turnover	4	63,862	41,903
Cost of sales		<u>(51,733)</u>	<u>(35,619)</u>
Gross profit		<u>12,129</u>	<u>6,284</u>
Expenses			
Administrative expenses		(11,655)	(7,249)
Exceptional administrative expenses	11	-	(4,181)
Administrative expenses		<u>(11,655)</u>	<u>(11,430)</u>
Operating profit/(loss)	5	474	(5,146)
Interest receivable and similar income	8	2	32
Interest payable and similar expenses	9	<u>(847)</u>	<u>(832)</u>
Loss before tax		(371)	(5,946)
Tax on loss	10	<u>(1,284)</u>	<u>(261)</u>
Loss for the financial year		(1,655)	(6,207)
Other comprehensive expense for the year, net of tax		-	-
Total comprehensive expense for the year		<u>(1,655)</u>	<u>(6,207)</u>

The above results relate to continuing operations
The above statement of comprehensive income should be read in conjunction with the accompanying notes

Suttons International Limited
Balance sheet
As at 30 April 2022

	Note	2022 £'000	2021 *Restated £'000
Fixed assets			
Development costs		125	125
Negative goodwill		(6,343)	-
Intangible assets	12	(6,218)	125
Tangible assets	13	65,517	57,776
Investments	14	294	203
Total fixed assets		59,593	58,403
Current assets			
Stocks	15	206	-
Debtors	16	24,736	8,953
Cash at bank and in hand	17	5,406	15,093
Total current assets		30,348	24,046
Creditors: amounts falling due within one year	18	50,752	43,709
Net current liabilities		(20,404)	(19,663)
Total assets less current liabilities		39,189	38,441
Creditors - amounts falling due after more than one year	19	12,513	15,975
Net assets before deferred tax liability		26,676	22,466
Provisions	20	14,051	8,186
Net assets		12,625	14,280
Equity			
Called up share capital	21	500	500
Reserves	22	12,125	13,780
Total equity		12,625	14,280

* A number of balances as at 30 April 2021 were reclassified within the balance sheet. These adjustments are detailed in note 23. These adjustments have not resulted in any change to the amounts previously disclosed as total assets, net assets or profit for the year.

The above balance sheet should be read in conjunction with the accompanying notes

Suttons International Limited
Balance sheet
As at 30 April 2022

The financial statements on page 12 to 39 were approved by the Board of Directors on 09/12/2022 and signed on it behalf by:



K Broom
Director

9 December 2022

The above balance sheet should be read in conjunction with the accompanying notes

Suttons International Limited
Statement of changes in equity
For the year ended 30 April 2022

	Called up share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 May 2020	500	19,987	20,487
Loss for the year	-	(6,207)	(6,207)
Other comprehensive expense for the year, net of tax	-	-	-
Total comprehensive expense for the year	-	(6,207)	(6,207)
Balance at 30 April 2021	500	13,780	14,280

	Called up share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 May 2021	500	13,780	14,280
Loss for the year	-	(1,655)	(1,655)
Other comprehensive expense for the year, net of tax	-	-	-
Total comprehensive expense for the year	-	(1,655)	(1,655)
Balance at 30 April 2022	500	12,125	12,625

The above statement of changes in equity should be read in conjunction with the accompanying notes

Suttons International Limited
Notes to the financial statements
30 April 2022

1. General information

The financial statements cover Suttons International Limited as an individual entity. The financial statements are presented in Pound sterling, which is Suttons International Limited's functional and presentation currency.

Suttons International Limited is a private company limited by shares, incorporated and domiciled in the United Kingdom. Its registered office and principal place of business is:

Gorsey Lane, Widnes, Cheshire WA8 0GG

2. Accounting policies

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

Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

In assessing the appropriateness of adopting the going concern basis in the preparation of these financial statements, the directors have prepared cashflow forecasts and projections up to the period ending 31st December 2023. Their base assumptions assume that the performance of the business in the 5 months to September 2022 continues for the remainder of the forecast period and that the US\$ to GB£ exchange rate averages \$1.2048 to £1. A downside sensitivity has been modelled which assumes a 20% fall in revenue driven by either a slow down on demand, or, an increase in the exchange rate to \$1.4458:£1. Both the base case and sensitivity assume that the current group overdraft facility of £7m is not available after its current expiry date of April 2023 and invoice finance facility of £22m is not available after its current expiry date of July 2023, despite the fact that the directors are confident that both facilities will be renewed. Following careful consideration of both the base case and the downside sensitivity forecasts, the directors have reasonable expectations that the company has adequate resources to continue to operate for the period of at least twelve months from the date of the Report. As additional comfort a letter of support has been provided by the company's ultimate parent company.

Basis of preparation

These financial statements were prepared in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Financial reporting standard 102 - reduced disclosure exemptions

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

2. Accounting policies (continued)

- the requirements of section 4 'Statement of Financial Position' paragraph 4.12(a)(iv);
- the requirements of section 7 'Statement of Cash Flows';
- the requirements of section 3 'Financial Statement Presentation' paragraph 3.17(d);
- the requirements of section 11 'Financial Instruments' paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of section 12 'Other Financial Instruments' paragraphs 11.26, 11.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of section 33 'Related Party Disclosures' paragraph 33.7.

This information is included in the consolidated financial statements of Thomas Cradley Group Holdings Limited as at 30 April 2022 and these financial statements may be obtained from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

Exemption from preparing consolidated financial statements

The financial statements contain information about Suttons International Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent company.

Turnover

Turnover is measured at the fair value of the consideration received or receivable for the provision of services provided before the balance sheet date, net of discounts, rebates, VAT and other sales taxes.

Revenue from the provision of services is recognised when the service has been provided, the amount of revenue can be reliably measured and it is probable that the economic benefits associated with the transaction will flow to the entity.

In the case that a sales invoice is raised prematurely, a deferred income balance will arise, until it is deemed appropriate to recognise the sale. In the case that a sale has occurred but not sales invoice has been raised, an accrued income balance will arise, until the sales invoice has been raised.

Interest expense

Interest expenses are charged to the profit and loss account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument. Finance costs attributable to qualifying assets are capitalised as part of the asset.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled, and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

2. Accounting policies (continued)

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and non-current classification

Assets and liabilities are presented in the balance sheet based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash at bank and in hand includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Debtors

Trade receivables are measured at transaction price, less any impairment. Loans receivable are initially recognised at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest method, less any impairment.

Other receivables are recognised at amortised cost, less any impairment.

Stocks

Stocks are stated at the lower of cost and net realisable value on a 'first in first out' basis. Cost comprises of direct materials and delivery costs, direct labour, import duties and other taxes, an appropriate proportion of variable and fixed overhead expenditure based on normal operating capacity, and, where applicable, transfers from cash flow hedging reserves in equity. Costs of purchased stock are determined after deducting rebates and discounts received or receivable.

Stock in transit is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

2. Accounting policies (continued)

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the company intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets

The company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Tangible assets

Tangible assets are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items, including in bringing the asset into location and condition necessary for it to be capable of operating in the manner intended by management.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the income statement during the period in which they are incurred.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of tangible assets (excluding land) over their expected useful lives as follows:

Plant and equipment	20% - 50% per annum straight line basis
Fixtures and fittings	20% per annum straight line basis
ISO tanks and motor vehicles	5.6% - 33.3% per annum straight line basis

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of tangible assets is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

2. Accounting policies (continued)

Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to the ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the fair value of the leased assets, or if lower, the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability.

Leased assets acquired under a finance lease are depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the company will obtain ownership at the end of the lease term.

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. All intangible assets are considered to have a finite life. These intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. The useful life shall not exceed ten years. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

2. Accounting policies (continued)

Business Combinations and Goodwill

The cost of a business combination is the fair value of the consideration given, or received, liabilities incurred or assumed and of equity instruments issued plus the costs directly attributable to the business combination. When control is achieved in stages the cost is the consideration recognised at the date of each transaction.

Contingent consideration is initially recognised at the estimated amount where the consideration is probable and can be measured reliably. Where (i) the contingent consideration is not considered probable or cannot be reliably measured but subsequently becomes probable and measurable or (ii) contingent consideration previously measured is adjusted, the amounts are recognised as an adjustment to the cost of the business combination.

On acquisition of a business, fair values are attributed to the identifiable assets, liabilities and contingent liabilities unless the fair value cannot be measured reliably, in which case the value is incorporated in goodwill. Intangible assets are only recognised separately from goodwill where they are separable and arise from contractual or other legal rights. Where the fair value of contingent liabilities cannot be reliably measured they are disclosed on the same basis as other contingent liabilities.

Goodwill, or negative goodwill, recognised represents the excess of the fair value and directly attributable costs of the purchase consideration over the fair values to the group's interest in the identifiable net assets, liabilities and contingent liabilities acquired.

On acquisition, goodwill is allocated to cash-generating units ('CGU's') that are expected to benefit from the combination.

Goodwill, or negative goodwill, is amortised over its expected useful life which is estimated to be 5 years. Goodwill is assessed for impairment when there are indicators of impairment, and any impairment is charged to the income statement. No reversals of impairment are recognised.

Research and development

Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the consolidated entity is able to use or sell the asset; the consolidated entity has sufficient resources and intent to complete the development; and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit.

Impairment of non-financial assets

At each reporting end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the assets belong.

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

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Consolidated Statement of Comprehensive Income, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

2. Accounting policies (continued)

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the consolidated Statement of Comprehensive Income, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Creditors

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Financial Instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtor and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares. Sections 11 and 12 of FRS 102 are applied in respect of recognitions and measurement of financial instruments.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at fair value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured initially and subsequently, at the undiscounted amount of cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate that is not a market rate, or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial assets and liabilities are offset, and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Provisions

Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

2. Accounting policies (continued)

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave, long service leave and accumulating sick leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled. Non-accumulating sick leave is expensed to profit or loss when incurred.

Termination benefits

Termination benefits are recognised when a detailed plan of termination has been communicated to affected employees. They are measured as short-term employee benefits when expected to be settled wholly within 12 months of the reporting date or as long-term benefits when not expected to be settled within 12 months of the reporting date.

Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are translated using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income, except where deferred in Other Comprehensive Income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Called up share capital

Ordinary shares are classified as equity.

Value-Added Tax ('VAT') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated VAT, unless the VAT incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of VAT receivable or payable. The net amount of VAT recoverable from, or payable to, the tax authority is included in other receivables or other payables in the balance sheet.

Suttons International Limited
Notes to the financial statements
30 April 2022

2. Accounting policies (continued)

Commitments and contingencies are disclosed net of the amount of VAT recoverable from, or payable to, the tax authority.

Rounding of amounts

Amounts in this report have been rounded off to the nearest thousand pounds, or in certain cases, the nearest pound.

Suttons International Limited
Notes to the financial statements
30 April 2022

2. Accounting policies (continued)

Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the company but are presented separately due to their size or incidence.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Accounting Standards that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 30 April 2022. The company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances.

Estimation of useful lives of assets (estimate)

The entity determines the estimated useful lives and related depreciation and amortisation charges for its tangible assets and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

4. Turnover

An analysis of turnover by type of business is as follows:

	2022 £'000	2021 £'000
Shipping and forwarding agents	63,862	41,903

Turnover analysed by geographical market:

	2022 £'000	2021 £'000
United Kingdom	28,839	26,413
Rest of Europe	13,680	3,830
Rest of World	21,343	11,660
	<u>63,862</u>	<u>41,903</u>

Suttons International Limited
Notes to the financial statements
30 April 2022

5. Operating profit/(loss)

Operating profit/(loss) is stated after charging/(crediting):

	2022	2021
	£'000	£'000
Depreciation of tangible assets	2,866	2,381
Depreciation of tangible assets held under finance lease	1,813	2,626
Amortisation of goodwill	(444)	-
Exchange differences	(246)	31
Operating lease charges	4	12
Loss on disposal of tangible assets	240	540
Bad debts and other provisions	(4)	(137)

6. Employees

The average monthly number of employees, including the directors, during the year was as follows:

	2022	2021
Operations	74	69
Administration and management	51	42
Average number of employees	125	111

Staff costs, including directors' remuneration, were as follows:

	2022	2021
	£'000	£'000
Wages and salaries	4,964	2,872
Social security costs	491	272
Other pension costs	206	154
Total employee benefits expense	5,661	3,298

Pension Commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company, in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £206k (2021: £154k).

7. Directors' remuneration

The emoluments below are those paid to directors in respect of qualifying services to the company. Some of the directors are directors of other group companies and are remunerated through those companies, where their emoluments are disclosed. No recharge is made to this company and they did not receive any remuneration in respect of qualifying services to this company.

Directors' remuneration includes payment in lieu of notice and a compensation payment for loss of office of £nil (2021: £nil)

Suttons International Limited
Notes to the financial statements
30 April 2022

7. Directors' remuneration (continued)

	2022	2021
	£'000	£'000
Aggregate directors' remuneration	119	113
Aggregate amounts of contributions to defined contribution pension schemes in respect of qualifying services	5	5
Highest paid director - aggregate remuneration	119	113
Highest paid director - company contributions to defined pension scheme	5	5

During the year retirement benefits were accruing to 1 director (2021: 1) in respect of defined contribution pension schemes.

8. Interest receivable and similar income

	2022	2021
	£'000	£'000
Interest on bank deposits	<u>2</u>	<u>32</u>

9. Interest payable and similar expenses

Interest on financial liabilities is measured at amortised cost:

	2022	2021
	£'000	£'000
Interest on bank overdrafts and loans	129	86
Finance leases and hire purchase contracts	<u>718</u>	<u>746</u>
	<u>847</u>	<u>832</u>

Suttons International Limited
Notes to the financial statements
30 April 2022

10. Tax on loss

	2022	2021
	£'000	£'000
<i>Current tax</i>		
UK corporation tax	-	-
Foreign tax suffered tax	3	(30)
	<u>3</u>	<u>(30)</u>
<i>Deferred tax</i>		
Origination and reversal of timing differences	(106)	-
Adjustments in respect of prior years	(182)	291
Tax rate changes on timing differences	1,569	-
	<u>1,281</u>	<u>291</u>
Total tax per income statement	<u>1,284</u>	<u>261</u>
<i>The charge for the year can be reconciled to the loss per the income statement as follows:</i>		
Loss for the period	<u>(371)</u>	<u>(5,946)</u>
Tax on loss at the standard UK tax rate of 19% (2021: 19%)	(70)	(1,130)
Effects of:		
Expenses not deductible	(21)	917
Effects of overseas tax rates	(12)	52
Adjustments in respect of prior years	(182)	288
Tax rate changes	1,569	-
Effect of group relief	<u>-</u>	<u>134</u>
Tax charge for the period	<u>1,284</u>	<u>261</u>
Income tax expense reported in the income statement	<u>1,284</u>	<u>261</u>

The corporation tax is calculated at 19% (2021: 19%) of the estimated assessable profit for the year. Changes to the UK corporation tax rates were substantively enacted as part of the Finance Bill 2020 on 17 March 2020. The rate applicable from 1 April 2020 now remains at 19%, rather than the previously enacted reduction to 17%.

The UK government announced on 3 March 2021 that they are intending to increase the corporation tax rate from 19% to 25% from April 2023. As this rate was substantively enacted at the Statement of Balance Sheet date it has been used to calculate the deferred tax balances.

Suttons International Limited
Notes to the financial statements
30 April 2022

11. Exceptional Administrative expenses

During the prior year ended 30 April 2021, the company wrote off an intercompany balance with a fellow group company, Suttons International Singapore PTE Ltd. This resulted in an increase of Suttons International Limited investment balance held relating to Suttons International Singapore PTE Ltd of £4,180k. This investment balance underwent an impairment review and was found to be impaired by £4,181k. The impairment in the investment balance held for Suttons International Singapore PTE Ltd was written off to exceptional administrative expenses in the company. The net impact across the Thomas Cradley Group Holdings Limited group was nil.

12. Intangible assets

	Negative goodwill £'000	Development costs £'000
At 1 May 2021		
Cost	-	416
Accumulated amortisation	-	(291)
Net book value	-	125
Year ended 30 April 2022		
Opening net book value	-	125
Acquisitions	(6,787)	-
Amortisation	444	-
Closing net book value	(6,343)	125
At 30 April 2022		
Cost	(6,787)	125
Accumulated amortisation	444	-
Net book value	(6,343)	125

During the year the company completed the acquisition of VTG's deep sea activities through a trade and assets deal which generated negative goodwill of £6,787k.

On 1st of January 2022 Suttons International Limited (Suttons) acquired the international deep-sea trade and assets of VTG Tanktainer GmbH (VTG) for a total reverse consideration of £125k, which was paid by VTG to Suttons.

Suttons and VTG have operated in the same market, providing iso-tanks and logistics services to customers globally, for a number of years. The acquisition of VTG's deep-sea trade and assets will allow Suttons to increase its market share and establish a presence in South America through the acquisition of VTG's shares in VTG – Missionline Tanktainer Do Brasil Ltda.

The acquisition resulted in Suttons acquiring a number of iso-tanks from VTG and assuming responsibility for certain customer, supplier and employee contracts. After valuing the assets and liabilities acquired £6,787k of negative goodwill arose on the transaction. Management have estimated the useful life of this negative goodwill as 5 years.

Suttons International Limited
Notes to the financial statements
30 April 2022

12. Intangible assets (continued)

The following assets, liabilities and contingent liabilities were recognised at the acquisition date, where amounts were incurred in Euro's they have been converted to GBP at an exchange rate of €1.175:£1, which was the exchange rate that applied on the date that the consideration was paid:

	Notes	Value at Acquisition £000s	Adjustment £000s	Fair Value £000s
Fixed Assets - Iso-tanks	1	9,877	1,115	10,992
Investments - Shares in VTG - Missionline Do Brazil	2	34	57	91
Accruals and Deferred Income - Off-Hire Provision - 3rd Party Tanks	3		(3,150)	(3,150)
Accruals and Deferred Income - Removal of VTG Branding from Tanks	4		(787)	(787)
Total Identifiable Assets and Liabilities		9,911	(2,765)	7,146
Reverse Consideration Received in Cash				125
Acquisition Expenses	5			(484)
Negative Goodwill				6,787

1. As the market for second hand iso-tanks, that are not at end of life, is limited management have valued the tanks by depreciating original cost, as calculated applying the company's standard policy for iso-tanks, to reflect the age of the tanks. The asset purchase agreement contained measures to ensure that the tanks transferred to Suttons were in fair condition, relative to their age, therefore management believe that this methodology reflects fair value.
2. The investment in Suttons Missionline Do Brazil has been revalued to reflect fair value of the shares based on the recent performance of the business. Suttons Missionline Do Brazil is being classified as a subsidiary company of Suttons International Limited due to the fact that Suttons hold 51% of the share capital and has the right, under the partnership agreement, to appoint the Company Administrator (Managing Director). As such its results and balance sheet will be fully consolidated.
3. Lease agreements relating to a number of iso-tanks were transferred to Suttons under the terms of the asset purchase agreement. These lease agreements contained obligations to make continuing rental payments on the tanks until the end of the fixed term in the lease agreement, or the date they are returned to the lessor, whichever is later. In addition, there is an obligation to return the tanks to the lessor in good condition, which usually gives rise to a repair cost, or payment to the lessor to compensate for any condition issues. Management considered that the lease rates in the contracts were fair market rates and therefore did not provide for any fair value adjustment. Management have provided for off-hire repair costs based upon their experience of expected average off-hire costs and the percentage of the minimum rental period that had passed at the completion of the transaction.
4. There is an obligation under the agreement for Suttons to remove VTG branding from the purchased tanks within 2.5 years. Management have provided for the cost of removing decals and making good the tank skin where necessary.
5. The company incurred legal and professional costs in relation to the acquisition and have deducted these costs from the consideration in calculating goodwill.

The results of the company for the year ended 30th April 2022 included 4 months of trading for the acquired deep sea business amounting to turnover of £7m and operating profit of £0.5m.

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13. Tangible assets

	2022 £'000	2021 £'000
Plant and equipment - cost	2,877	1,489
Less: Accumulated depreciation	<u>(1,222)</u>	<u>(1,008)</u>
	1,655	481
Fixtures and fittings - cost	460	436
Less: Accumulated depreciation	<u>(209)</u>	<u>(197)</u>
	251	239
ISO tanks and motor vehicles	105,810	99,325
Less: Accumulated depreciation	<u>(42,199)</u>	<u>(42,269)</u>
	63,611	57,056
	<u>65,517</u>	<u>57,776</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Plant and equipment £'000	Fixtures and fittings £'000	ISO tanks and motor vehicles £'000	Total £'000
Balance at 1 May 2020	355	225	60,256	60,836
Additions	291	29	2,489	2,809
Disposals	(29)	-	(1,045)	(1,074)
Impairment reversal	-	-	212	212
Depreciation expense	<u>(136)</u>	<u>(15)</u>	<u>(4,856)</u>	<u>(5,007)</u>
Balance at 30 April 2021	481	239	57,056	57,776
Additions	1,389	22	11,746	13,157
Disposals	-	-	(737)	(737)
Depreciation expense	<u>(215)</u>	<u>(10)</u>	<u>(4,454)</u>	<u>(4,679)</u>
Balance at 30 April 2022	1,655	251	63,611	65,517

Tangible assets secured under finance leases

The net book value and depreciation expense of assets held under finance lease or hire purchase contracts, included above, are as follows:

	2022 £'000	2021 £'000
Net book value	<u>39,597</u>	<u>34,194</u>
Depreciation charge for the year ended 30 April:	<u>1,813</u>	<u>2,626</u>

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14. Investments

	2022 £'000	2021 £'000
Investments in subsidiary companies	<u>294</u>	<u>203</u>
<i>Reconciliation</i>		
Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:		
Opening fair value	203	461
Additions	91	-
Additions - Intercompany debt forgiveness	-	4,181
Impairment - Suttons International Singapore PTE Ltd	-	(4,181)
Impairment - Suttons International SARL	<u>-</u>	<u>(258)</u>
Closing fair value	<u>294</u>	<u>203</u>

A full listing of subsidiary undertakings is included in note 28.

During the prior year ended 30 April 2021, the company wrote off an intercompany balance with a fellow group company, Suttons International Singapore PTE Ltd. This resulted in an increase of Suttons International Limited investment balance held relating to Suttons International Singapore PTE Ltd of £4,180k. This investment balance underwent an impairment review and was found to be impaired by £4,180k. The impairment in the investment balance held for Suttons International Singapore PTE Ltd was written off to exceptional administrative expenses in the company.

During the prior year ended 30 April 2021, the company also completely impaired its investment balance relating to Suttons International SARL as the entity was wound up.

During the year ended 30 April 2022, the company acquired a 51% shareholding in Suttons Missionline Do Brasil LTDA

15. Stocks

	2022 £'000	2021 £'000
Stock on hand - at cost	<u>206</u>	<u>-</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

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16. Debtors

	2022	2021
	£'000	Restated £'000
Trade receivables	14,606	7,836
Deferred tax	1,345	299
Prepayments and accrued income	8,536	799
Other debtors	181	19
Corporation tax recoverable	68	-
	<u>24,736</u>	<u>8,953</u>

Deferred tax assets are offset where the company has a legally enforceable right to do so. In the current year, the deferred tax asset is comprised of £1,285k relating to losses (2021: £260k), £51k relating to short term trading timing differences (2021: £31k) and £9k relating to research and development (2021: £8k)

A number of balances at 30 April 2021 were reclassified within debtors there was no adjustment to profit and loss as a result of these changes which are detailed in note 23.

17. Cash at bank and in hand

	2022	2021
	£'000	£'000
Cash at bank	<u>5,406</u>	<u>15,093</u>

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18. Creditors: amounts falling due within one year

	2022	2021
	£'000	Restated £'000
Trade creditors	2,320	3,078
Amounts owed to group undertakings	6,258	19,331
Bank overdraft and revolving finance facility	7,822	5,012
Bank loans	155	-
Net obligations under finance lease and hire purchase contracts	6,270	5,582
Corporation tax	-	14
Taxation and social security	671	383
Accruals and deferred income	27,140	10,216
Other creditors	116	93
	<u>50,752</u>	<u>43,709</u>

A number of balances at 30 April 2021 were reclassified within creditors: amounts falling due within one year there was no adjustment to profit and loss as a result of these changes which are detailed in note 23.

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

The company has access to the group net bank overdraft facility with a limit of £7,000,000 (2021: £7,000,000) which is repayable upon demand. Interest is charged monthly, calculated at 2.0% over the Bank of England Base rate. At April 2022, the company overdraft balance was £nil (2021: £nil). The company as a borrower under the facility provides a cross guarantee for all liabilities under the facility.

The company has access to the group revolving finance facility with a limit of £22,000,000 (2021: £18,000,000) which is repayable upon demand. Interest is charged monthly, calculated at 1.65% over the Bank of England Base rate. At April 2022, the company revolving finance facility balance was £7,822k (2021: £5,012k). The company as a borrower under the facility provides a charge against its trade receivables and a cross guarantee for all liabilities under the facility.

19. Creditors - amounts falling due after more than one year

	2022	2021
	£'000	£'000
Net obligations under finance leases and hire purchase agreements	<u>12,513</u>	<u>1 5,975</u>

20. Provisions

	2022	2021
	£'000	£'000
Deferred tax liability	7,874	5,549
Lease tanks off-hire provision	6,177	2,637
	<u>14,051</u>	<u>8,186</u>

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

In both the current and prior year, the deferred tax liability relates solely to fixed asset timing differences. None of this balance is expected to reverse in the next 12 months.

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Movement in lease tank off-hire provision	£'000
Opening balance	2,637
Additional provision related to VTG acquisition – see note	3,150
Movement in provision	390
Closing balance	<u>6,177</u>

The tank off-hire provision at 30 April 2021 was reclassified from within creditors: amounts falling due within one year this change is detailed in note 23.

The tank off-hire provision is an estimate of the expected cost of returning leased iso-tanks to the required condition at the end of their leases adjusted for the time value of money.

21. Share capital

Alloted	2022 Shares	2021 Shares	2022 £'000	2021 £'000
Ordinary shares £1.00 each - fully paid	<u>500,000</u>	<u>500,000</u>	<u>500</u>	<u>500</u>
Called up	2022 Shares	2021 Shares	2022 £'000	2021 £'000
Ordinary shares £1.00 each - fully paid	<u>500,000</u>	<u>500,000</u>	<u>500</u>	<u>500</u>

22. Reserves

Profit and loss account

The profit and loss account contains all current and prior year retained profit and loss, net of any distribution to owners.

23. Restated prior year balances

The company has reformatted the balance sheet which has resulted in a number of balances being restated. Deferred tax assets were previously shown on the face of the balance sheet under 'fixed assets'. This is now included within 'Debtors - amounts falling due within one year', as referenced in note 16.

The following balances were previously included on the face of the balance sheet, but have now been included within 'creditors: amounts falling due within one year', as referenced in note 18:

- Borrowings: amounts falling due within one year
- Income tax
- Accruals and deferred income

Previously the dehire provision was included within Accruals and deferred income, this has now been reflected as a 'provision', as referenced in note 20.

These restatements have not resulted in any change to the amounts previously reported as total assets, net assets or profit for the year.

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24. Auditors' remuneration

During the financial year the following fees were paid or payable for services provided by the auditors of the company:

	2022 £'000	2021 £'000
Audit of the financial statements	100	85
Non audit services	20	-

25. Commitments

	2022 £'000	2021 £'000
<i>Capital commitments</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Tangible assets	225	1,056
<i>Lease commitments - operating</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	3,488	1,949
One to five years	6,847	1,529
More than five years	185	-
	10,520	3,478
<i>Lease commitments - finance</i>		
Committed at the reporting date and recognised as liabilities, payable:		
Within one year	6,975	6,192
One to five years	13,415	17,181
More than five years	167	2,501
Total commitment	20,557	25,874
Less: Future finance charges	(1,774)	(1,680)
Net commitment recognised as liabilities	18,783	24,194
Representing:		
Net obligations under finance lease and hire purchase contracts - current (note 18)	6,270	5,582
Net obligations under finance leases and hire purchase agreements - non-current (note 19)	12,513	18,612
	18,783	24,194

Operating lease commitments represents leases with third parties. The leases are negotiated over various terms and rentals are fixed for the lease term. All leases include a provision for five-yearly upward rent reviews according to prevailing market conditions. There are no options in place for either party to extend the lease terms.

25. Commitments (continued)

Finance lease payments represent rentals payable to the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 5 years. All leases are on a fixed repayment schedule basis and no arrangements have been entered into for contingent rental payments.

The finance lease and hire purchase obligations are secured on the assets to which they relate. These arrangements are mainly hire purchase agreements repayable over a period of between 5 and 7 years repayable in equal instalments over the life of each agreement.

26. Related party transactions

The company is exempt from disclosing related party transactions with other companies that are wholly owned within the *Thomas Cradley Group Holdings Limited group* and, under FRS 102, is exempt from disclosing the compensation of key management personnel. There are no other related party transactions requiring disclosure.

27. Financial commitments, guarantees and contingent liabilities

The bank holds an unlimited multilateral company guarantee between the following:

Thomas Cradley Group Holdings Limited, Thomas Cradley Holdings Limited, Cradley Leasing Limited, Suttons Transport Group Limited, Sutton and Son (St Helens) Limited, Suttons International Limited, Project Properties Limited and Suttons Tankers Limited (formerly Imperial Tankers Limited).

At 30 April 2022 the maximum potential liability was £24,264k (2021: £22,917k).

A different provider of hire purchase finance also holds a blanket cross company guarantee between the following:

Thomas Cradley Group Holdings Limited, Thomas Cradley Holdings Limited, Cradley Leasing Limited, Suttons Transport Group Limited, Sutton and Son (St Helens) Limited, Suttons International Limited and Project Properties Limited.

At 30 April 2022 the maximum potential liability was £8,518k (2021: £6,289k).

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28. Interests in subsidiaries

The following were subsidiary undertakings of the company (all shares ordinary class):

Name	Registered Office	Principal activity	Holding %
Suttons International N.V. (Belgium)	North Trading Building, Noorderlaan, Antwerp, Belgium B 2030	Shipping and forwarding agents	100%
Suttons International (NA) INC	Bell Works Building 4, Floor 2, Suite 200, 101 Crawford Corner Road, Holmdel, New Jersey 07733 USA	Shipping and forwarding agents	100%
Suttons International GMBH	Speyerer Str. 56b, 67227, Frankenthal, Ludwigshafen, Germany	Shipping and forwarding agents	100%
Suttons International (Japan) KK	Room 203, Saito Bldg, 14-6 Kyobushi 3-chrome, Chuo-ku, Tokyo, Japan 104-003	Shipping and forwarding agents	51%
Suttons International PTE Ltd	456 Alexandria Road, 24-03 Fragrance Empire Building, Singapore 119962	Shipping and forwarding agents	100%
Suttons Tank Container Cleaning (Shanghai Ltd)	Unit D, 16th Floor Long Life Mansion, 1566 Yan An West Road, Shanghai 200052, China	Depot services	100%
Suttons International Freight Forwarding (Shanghai) Ltd	Unit D, 16th Floor Long Life Mansion, 1566 Yan An West Road, Shanghai 200052, China	Shipping and forwarding agents	100%
Hanchi Logistics Ltd	Unit D, 16th Floor Long Life Mansion, 1566 Yan An West Road, Shanghai 200052, China	Road Haulage	100%
Suttons Missionline Do Brasil LTDA	Avenida Rudolf Dafferner, 400, Sala 209 Bloco Sao Paulo, Boa Vista, Sorocaba – SP, 18085-005	Shipping and forwarding agents	51%

During the year the company acquired a 51% holding of Suttons Missionline Do Brasil LTDA as part of the VTG acquisition.

29. Ultimate parent undertaking and controlling party

The immediate parent company is Suttons Transport Group Limited, a company registered in England and Wales.

The Company is ultimately wholly owned by Thomas Cradley Group Holdings Limited, a company registered in England Wales, which itself is owned by a series of trusts, with no single trust having a controlling interest. Members of the Sutton and Broadhurst families have beneficial interests through the trusts but no one family member has a controlling interest.

Thomas Cradley Group Holdings Limited (whose registered address is Gorsey Lane, Widnes, Cheshire, WA8 0GG) prepares consolidated group financial statements, and is the smallest and largest company in the group to do so. Copies can be obtained from Companies House, Crown Way, Cardiff CF14 3UZ.

30. Events after the reporting period

No matter or circumstances has arisen since 30 April 2022 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.