

Company Registration No. 01087339 (England and Wales)

**LOCKWOOD HAULAGE LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JANUARY 2019**

# LOCKWOOD HAULAGE LIMITED

## COMPANY INFORMATION

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|                          |  |
|--------------------------|--|
| <b>Directors</b>         | Ms D L King<br>Mr R I Lockwood<br>Mr W L W Evans   |
| <b>Company number</b>    | 01087339   |
| <b>Registered office</b> | Ripley Road<br>Sawmills<br>Ambergate<br>Derby<br>Derbyshire<br>DE56 2JR  |
| <b>Auditor</b>           | DJH Accountants Limited<br>Porthill Lodge<br>High Street<br>Wolstanton<br>Newcastle under Lyme<br>Staffordshire<br>ST5 0EZ |

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# LOCKWOOD HAULAGE LIMITED

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# **LOCKWOOD HAULAGE LIMITED**

## **STRATEGIC REPORT**

***FOR THE YEAR ENDED 31 JANUARY 2019***

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

### **Review of the business**

We aim to present a balanced and comprehensive review of the development and performance of our business during the year and its position at the year end. Our review is consistent with the size and non-complex nature of our business and is written in the context of the risks and uncertainties we face.

We consider that our key performance indicators are those that communicate the financial performance and strength of the company as a whole, these being turnover and net profit margin.

The directors are pleased to report another strong increase in turnover in the year (up £2.5m). This growth has been achieved through continued investment in the vehicle fleet and warehousing capacity. Margins continue to be squeezed in particular in the warehouse side, and overall operating profit has marginally increased to £968,387 (2018 - £965,123).

### **Risks and uncertainties**

As for many businesses of our size, the business environment in which we operate continues to be challenging. The market for our services is highly competitive and margins continue to be tight. Despite this the directors anticipate continued growth in the core business activities in the future.

The directors are aware of the current economic climate and of the inherent risks of this. They feel that due to the Company's strong place in the market, the company will adapt strongly to the market conditions aided by strong company reserves.

With these risks and uncertainties in mind, we are aware that any plans for the future development of the business may be subject to unforeseen events outside of our control.

On behalf of the board

Mr R I Lockwood

**Director**

9 October 2019

**Date**

# **LOCKWOOD HAULAGE LIMITED**

## **DIRECTORS' REPORT**

***FOR THE YEAR ENDED 31 JANUARY 2019***

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The directors present their annual report and financial statements for the year ended 31 January 2019.

### **Principal activities**

The principal activity of the company continued to be that of haulage and warehouse services.

### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Ms D L King

Mr R I Lockwood

Mr W L W Evans

Mr S Gilbert

(Resigned 7 December 2018)

### **Results and dividends**

The results for the year are set out on page 7.

No Ordinary dividends were paid. The directors do not recommend payment of a final dividend.

### **Auditor**

In accordance with the company's articles, a resolution proposing that DJH Accountants Limited be reappointed as auditor of the company will be put at a General Meeting.

### **Statement of directors' responsibilities**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

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

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

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

## **LOCKWOOD HAULAGE LIMITED**

### **DIRECTORS' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 JANUARY 2019***

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#### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

Mr R I Lockwood

**Director**

9 October 2019

**Date**

# LOCKWOOD HAULAGE LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF LOCKWOOD HAULAGE LIMITED

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#### Opinion

We have audited the financial statements of Lockwood Haulage Limited (the 'company') for the year ended 31 January 2019 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

#### Basis for opinion

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

#### Conclusions relating to going concern

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

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

#### Other information

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

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

We have nothing to report in this regard.

#### Opinions on other matters prescribed by the Companies Act 2006

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

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

# **LOCKWOOD HAULAGE LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF LOCKWOOD HAULAGE LIMITED**

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#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

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

#### **Responsibilities of directors**

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

In preparing the financial statements, the directors are responsible for assessing the 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.

#### **Auditor's responsibilities for the audit of the financial statements**

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

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

## **LOCKWOOD HAULAGE LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF LOCKWOOD HAULAGE LIMITED**

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#### **Use of our report**

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

Porthill Lodge  
High Street  
Wolstanton  
Newcastle under Lyme  
Staffordshire  
ST5 0EZ

**17 October 2019**

**Paul David Hulme FCCA  
(Senior Statutory Auditor)  
for and on behalf of  
DJH ACCOUNTANTS LIMITED**

Chartered Certified Accountants  
Registered Auditor

# LOCKWOOD HAULAGE LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 JANUARY 2019

|                                       | Notes    | 2019<br>£        | 2018<br>£        |
|---------------------------------------|----------|------------------|------------------|
| Turnover                              | 3        | 19,991,239       | 17,457,737       |
| Cost of sales                         |          | (15,044,625)     | (12,816,211)     |
| <b>Gross profit</b>                   |          | <b>4,946,614</b> | <b>4,641,526</b> |
| Administrative expenses               |          | (4,023,109)      | (3,721,383)      |
| Other operating income                |          | 44,882           | 44,980           |
| <b>Operating profit</b>               | <b>4</b> | <b>968,387</b>   | <b>965,123</b>   |
| Interest payable and similar expenses | 6        | (101,998)        | (93,569)         |
| <b>Profit before taxation</b>         |          | <b>866,389</b>   | <b>871,554</b>   |
| Tax on profit                         | 7        | (161,097)        | (142,905)        |
| <b>Profit for the financial year</b>  |          | <b>705,292</b>   | <b>728,649</b>   |

The profit and loss account has been prepared on the basis that all operations are continuing operations.

# **LOCKWOOD HAULAGE LIMITED**

## **STATEMENT OF COMPREHENSIVE INCOME**

***FOR THE YEAR ENDED 31 JANUARY 2019***

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|  | <b>2019</b>    | <b>2018</b>    |
|--|----------------|----------------|
|  | <b>£</b>       | <b>£</b>       |
| <b>Profit for the year</b>                     | 705,292        | 728,649        |
| <b>Other comprehensive income</b>              | -              | -              |
| <b>Total comprehensive income for the year</b> | <u>705,292</u> | <u>728,649</u> |

# LOCKWOOD HAULAGE LIMITED

## BALANCE SHEET

AS AT 31 JANUARY 2019

|  | Notes | £                  | 2019<br>£               | £                  | 2018<br>£               |
|--|-------|--------------------|-------------------------|--------------------|-------------------------|
| <b>Fixed assets</b>  |       |                    |                         |                    |                         |
| Tangible assets  | 8     |                    | 5,326,407               |                    | 5,640,479               |
| <b>Current assets</b>  |       |                    |                         |                    |                         |
| Stocks   | 9     | 73,191             |                         | 98,779             |                         |
| Debtors  | 10    | 5,181,665          |                         | 4,596,410          |                         |
| Cash at bank and in hand                                       |       | 1,605,711          |                         | 1,232,630          |                         |
|  |       | <u>6,860,567</u>   |                         | <u>5,927,819</u>   |                         |
| <b>Creditors: amounts falling due within one year</b>          | 11    | <u>(4,103,681)</u> |                         | <u>(3,897,805)</u> |                         |
| <b>Net current assets</b>                                      |       |                    | <u>2,756,886</u>        |                    | <u>2,030,014</u>        |
| <b>Total assets less current liabilities</b>                   |       |                    | <u>8,083,293</u>        |                    | <u>7,670,493</u>        |
| <b>Creditors: amounts falling due after more than one year</b> | 12    |                    | <u>(2,144,222)</u>      |                    | <u>(2,369,309)</u>      |
| <b>Provisions for liabilities</b>                              | 14    |                    | <u>(69,911)</u>         |                    | <u>(137,316)</u>        |
| <b>Net assets</b>  |       |                    | <u><u>5,869,160</u></u> |                    | <u><u>5,163,868</u></u> |
| <b>Capital and reserves</b>                                    |       |                    |                         |                    |                         |
| Called up share capital  | 17    |                    | 1,000                   |                    | 1,000                   |
| Profit and loss reserves                                       |       |                    | <u>5,868,160</u>        |                    | <u>5,162,868</u>        |
| <b>Total equity</b>  |       |                    | <u><u>5,869,160</u></u> |                    | <u><u>5,163,868</u></u> |

The financial statements were approved by the board of directors and authorised for issue on 9 October 2019 and are signed on its behalf by:

Ms D L King  
Director

Mr R I Lockwood  
Director

Company Registration No. 01087339

# LOCKWOOD HAULAGE LIMITED

## STATEMENT OF CHANGES IN EQUITY

*FOR THE YEAR ENDED 31 JANUARY 2019*

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|  | Share capital | Profit and<br>loss reserves | Total            |
|--|---------------|-----------------------------|------------------|
|  | £             | £                           | £                |
| <b>Balance at 1 February 2017</b>                  | 1,000         | 4,434,219                   | 4,435,219        |
| <b>Year ended 31 January 2018:</b>                 |               |                             |                  |
| Profit and total comprehensive income for the year | -             | 728,649                     | 728,649          |
|  | <hr/>         | <hr/>                       | <hr/>            |
| <b>Balance at 31 January 2018</b>                  | 1,000         | 5,162,868                   | 5,163,868        |
| <b>Year ended 31 January 2019:</b>                 |               |                             |                  |
| Profit and total comprehensive income for the year | -             | 705,292                     | 705,292          |
|  | <hr/>         | <hr/>                       | <hr/>            |
| <b>Balance at 31 January 2019</b>                  | <u>1,000</u>  | <u>5,868,160</u>            | <u>5,869,160</u> |

# LOCKWOOD HAULAGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 JANUARY 2019**

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### **1 Accounting policies**

#### **Company information**

Lockwood Haulage Limited is a private company limited by shares, incorporated in England and Wales. The registered office is Ripley Road, Sawmills, Ambergate, Derby, Derbyshire, DE56 2JR.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

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

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Lockwood Haulage Limited is a wholly owned subsidiary of The Lockwood Group Limited and the results of Lockwood Haulage Limited are included in the consolidated financial statements of The Lockwood Group Limited which are available from Companies House.

#### **1.2 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.

#### **1.3 Turnover**

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from contracts for the provision of services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

# LOCKWOOD HAULAGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2019

### 1 Accounting policies

(Continued)

#### 1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

|                        |                                   |
|------------------------|-----------------------------------|
| Leasehold improvements | 20% straight line of cost         |
| Plant and equipment    | 20% straight line of cost         |
| Fixtures and fittings  | 20% and 33% straight line of cost |
| Motor vehicles         | 20% straight line of cost         |
| Lorries and trailers   | 25% and 20% straight line of cost |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### 1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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 asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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 profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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 profit or loss, 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.

#### 1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

# LOCKWOOD HAULAGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2019

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### 1 Accounting policies

(Continued)

#### 1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.8 Financial instruments

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

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

##### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

# LOCKWOOD HAULAGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2019

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### 1 Accounting policies

(Continued)

#### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### **Basic financial liabilities**

Basic financial liabilities, including creditors and loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

### 1.9 Equity instruments

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

### 1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

#### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

# LOCKWOOD HAULAGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2019

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### 1 Accounting policies

(Continued)

#### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

#### **1.11 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.12 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### **1.13 Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

# LOCKWOOD HAULAGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2019

### 2 Judgements and key sources of estimation uncertainty

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

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

### 3 Turnover and other revenue

|   | 2019              | 2018              |
|---|-------------------|-------------------|
|   | £                 | £                 |
| <b>Turnover analysed by class of business</b> |                   |                   |
| Haulage                                       | 15,562,532        | 13,163,706        |
| Warehousing                                   | 4,428,707         | 4,294,031         |
|   | <u>19,991,239</u> | <u>17,457,737</u> |

### 4 Operating profit

|   | 2019             | 2018             |
|---|------------------|------------------|
|   | £                | £                |
| Operating profit for the year is stated after charging/(crediting):                       |                  |                  |
| Fees payable to the company's auditor for the audit of the company's financial statements | 8,755            | 8,500            |
| Depreciation of owned tangible fixed assets   | 433,996          | 499,198          |
| Depreciation of tangible fixed assets held under finance leases                           | 1,247,174        | 988,170          |
| (Profit)/loss on disposal of tangible fixed assets  | (2,930)          | 6,693            |
| Operating lease charges   | 1,703,609        | 1,436,226        |
|   | <u>1,703,609</u> | <u>1,436,226</u> |

### 5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

|                               | 2019       | 2018       |
|-------------------------------|------------|------------|
|                               | Number     | Number     |
| Haulage and warehouse         | 164        | 144        |
| Administration and management | 29         | 20         |
|                               | <u>193</u> | <u>164</u> |

# LOCKWOOD HAULAGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2019

### 5 Employees (Continued)

Their aggregate remuneration comprised:

|                    | 2019<br>£        | 2018<br>£        |
|--------------------|------------------|------------------|
| Wages and salaries | 5,408,557        | 4,819,723        |
| Employment costs   | 538,415          | 476,560          |
| Pension costs      | 83,575           | 37,943           |
|                    | <u>6,030,547</u> | <u>5,334,226</u> |

### 6 Interest payable and similar expenses

|  | 2019<br>£      | 2018<br>£     |
|--|----------------|---------------|
| Interest on finance leases and hire purchase contracts | <u>101,998</u> | <u>93,569</u> |

### 7 Taxation

|  | 2019<br>£       | 2018<br>£       |
|--|-----------------|-----------------|
| <b>Current tax</b>                                   |                 |                 |
| UK corporation tax on profits for the current period | <u>228,502</u>  | <u>212,878</u>  |
| <b>Deferred tax</b>                                  |                 |                 |
| Origination and reversal of timing differences       | <u>(67,405)</u> | <u>(69,973)</u> |
| Total tax charge                                     | <u>161,097</u>  | <u>142,905</u>  |

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

|  | 2019<br>£      | 2018<br>£      |
|--|----------------|----------------|
| Profit before taxation   | <u>866,389</u> | <u>871,554</u> |
| Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.16%) | 164,614        | 167,004        |
| Tax effect of expenses that are not deductible in determining taxable profit                         | 3,844          | 2,806          |
| Group relief   | (19,166)       | (12,977)       |
| Capital allowances   | (240,212)      | (228,959)      |
| Depreciation   | 319,422        | 285,004        |
| Deferred tax movement  | (67,405)       | (69,973)       |
| Taxation charge for the year   | <u>161,097</u> | <u>142,905</u> |

# LOCKWOOD HAULAGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2019

### 8 Tangible fixed assets

|  | Leasehold<br>improvements | Plant and<br>equipment | Fixtures and<br>fittings | Motor vehicles | Lorries and<br>trailers | Total       |
|--|---------------------------|------------------------|--------------------------|----------------|-------------------------|-------------|
|  | £                         | £                      | £                        | £              | £                       | £           |
| <b>Cost</b>                            |                           |                        |                          |                |                         |             |
| At 1 February 2018                     | 475,912                   | 2,018,185              | 260,821                  | 310,802        | 9,727,939               | 12,793,659  |
| Additions                              | 70,570                    | 88,718                 | 26,267                   | 52,043         | 1,216,084               | 1,453,682   |
| Disposals                              | -                         | (230,992)              | (73,483)                 | (81,718)       | (960,493)               | (1,346,686) |
| At 31 January 2019                     | 546,482                   | 1,875,911              | 213,605                  | 281,127        | 9,983,530               | 12,900,655  |
| <b>Depreciation and<br/>impairment</b> |                           |                        |                          |                |                         |             |
| At 1 February 2018                     | 448,363                   | 1,402,967              | 197,496                  | 86,600         | 5,017,754               | 7,153,180   |
| Depreciation charged in the<br>year    | 16,382                    | 163,169                | 23,373                   | 50,050         | 1,428,196               | 1,681,170   |
| Eliminated in respect of<br>disposals  | -                         | (222,844)              | (73,483)                 | (34,754)       | (929,021)               | (1,260,102) |
| At 31 January 2019                     | 464,745                   | 1,343,292              | 147,386                  | 101,896        | 5,516,929               | 7,574,248   |
| <b>Carrying amount</b>                 |                           |                        |                          |                |                         |             |
| At 31 January 2019                     | 81,737                    | 532,619                | 66,219                   | 179,231        | 4,466,601               | 5,326,407   |
| At 31 January 2018                     | 27,549                    | 615,218                | 63,325                   | 224,202        | 4,710,185               | 5,640,479   |

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

|                      | 2019<br>£ | 2018<br>£ |
|----------------------|-----------|-----------|
| Plant and equipment  | 260,476   | 287,665   |
| Motor vehicles       | 156,059   | 198,490   |
| Lorries and trailers | 4,020,218 | 3,887,452 |
|                      | 4,436,753 | 4,373,607 |

### 9 Stocks

|        | 2019<br>£ | 2018<br>£ |
|--------|-----------|-----------|
| Stocks | 73,191    | 98,779    |

# LOCKWOOD HAULAGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2019

### 10 Debtors

|   | 2019             | 2018             |
|---|------------------|------------------|
|   | £                | £                |
| <b>Amounts falling due within one year:</b> |                  |                  |
| Trade debtors                               | 4,207,101        | 3,598,495        |
| Amounts owed by group undertakings          | 482,470          | 527,700          |
| Prepayments and accrued income              | 492,094          | 470,215          |
|   | <u>5,181,665</u> | <u>4,596,410</u> |

### 11 Creditors: amounts falling due within one year

|                                    | Notes | 2019             | 2018             |
|------------------------------------|-------|------------------|------------------|
|                                    |       | £                | £                |
| Obligations under finance leases   | 13    | 1,334,658        | 1,202,298        |
| Trade creditors                    |       | 939,377          | 1,119,602        |
| Amounts owed to group undertakings |       | 107,603          | 163,277          |
| Corporation tax                    |       | 198,502          | 182,877          |
| Other taxation and social security |       | 569,505          | 352,778          |
| Other creditors                    |       | 242,634          | 305,598          |
| Accruals and deferred income       |       | 711,402          | 571,375          |
|                                    |       | <u>4,103,681</u> | <u>3,897,805</u> |

Amounts due under finance leases are secured against the assets which they relate to.

### 12 Creditors: amounts falling due after more than one year

|                                  | Notes | 2019             | 2018             |
|----------------------------------|-------|------------------|------------------|
|                                  |       | £                | £                |
| Obligations under finance leases | 13    | 2,144,222        | 2,369,309        |
|                                  |       | <u>2,144,222</u> | <u>2,369,309</u> |

Amounts due under finance leases are secured against the assets which they relate to.

### 13 Finance lease obligations

|  | 2019             | 2018             |
|--|------------------|------------------|
|  | £                | £                |
| <b>Future minimum lease payments due under finance leases:</b> |                  |                  |
| Within one year  | 1,334,658        | 1,202,298        |
| In two to five years   | 2,144,222        | 2,369,309        |
|  | <u>3,478,880</u> | <u>3,571,607</u> |

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

# LOCKWOOD HAULAGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2019

### 14 Provisions for liabilities

|                          | Notes | 2019<br>£ | 2018<br>£ |
|--------------------------|-------|-----------|-----------|
| Deferred tax liabilities | 15    | 69,911    | 137,316   |

### 15 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

|                                | Liabilities<br>2019<br>£ | Liabilities<br>2018<br>£ |
|--------------------------------|--------------------------|--------------------------|
| <b>Balances:</b>               |                          |                          |
| Accelerated capital allowances | 69,911                   | 137,316                  |
| <b>Movements in the year:</b>  |                          | 2019<br>£                |
| Liability at 1 February 2018   |                          | 137,316                  |
| Credit to profit or loss       |                          | (67,405)                 |
| Liability at 31 January 2019   |                          | 69,911                   |

### 16 Retirement benefit schemes

|   | 2019<br>£ | 2018<br>£ |
|---|-----------|-----------|
| <b>Defined contribution schemes</b>                                 |           |           |
| Charge to profit or loss in respect of defined contribution schemes | 83,575    | 37,943    |

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

### 17 Share capital

|                                  | 2019<br>£ | 2018<br>£ |
|----------------------------------|-----------|-----------|
| <b>Ordinary share capital</b>    |           |           |
| <b>Issued and fully paid</b>     |           |           |
| 1,000 Ordinary shares of £1 each | 1,000     | 1,000     |

# LOCKWOOD HAULAGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2019

### 18 Financial commitments, guarantees and contingent liabilities

An unlimited multilateral guarantee was given to National Westminster Bank Plc by the company and its fellow group companies, dated 21 October 2014 against the company and group's combined bank facilities.

### 19 Operating lease commitments

#### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

|                            | 2019<br>£        | 2018<br>£        |
|----------------------------|------------------|------------------|
| Within one year            | 813,068          | 771,336          |
| Between two and five years | 2,475,933        | 3,094,715        |
|                            | <u>3,289,001</u> | <u>3,866,051</u> |

### 20 Capital commitments

Amounts contracted for but not provided in the financial statements:

|                                      | 2019<br>£      | 2018<br>£ |
|--------------------------------------|----------------|-----------|
| Acquisition of tangible fixed assets | <u>371,722</u> | <u>-</u>  |

### 21 Related party transactions

#### Transactions with related parties

During the year the company entered into the following transactions with related parties:

The company is a wholly owned subsidiary of The Lockwood Group Limited and has taken advantage of the exemption conferred by FRS102 not to disclose transactions with The Lockwood Group Limited or other group companies.

### 22 Ultimate controlling party

The ultimate parent company is The Lockwood Group Limited, incorporated in England and Wales.

The largest and smallest group in which the results of the company are consolidated is that headed by The Lockwood Group Limited, incorporated in England and Wales. The consolidated accounts of this company are available to the public and may be obtained from Companies House. No other group accounts include the results of the company.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.