

Company Registration No. 01087339 (England and Wales)

**LOCKWOOD HAULAGE LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JANUARY 2021**

# LOCKWOOD HAULAGE LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Ms D L King Mr R I Lockwood Mr W L W Evans Mr K R Allsop Mr M P Graham Mrs S E Rhodes	(Appointed 2 September 2020) (Appointed 1 April 2021) (Appointed 1 April 2021)
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<b>Company number</b>	01087339
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<b>Registered office</b>	Ripley Road Sawmills Ambergate Derby Derbyshire DE56 2JR
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<b>Auditor</b>	DJH Audit Limited Porthill Lodge High Street Wolstanton Newcastle ST5 0EZ
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# LOCKWOOD HAULAGE LIMITED

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# **LOCKWOOD HAULAGE LIMITED**

## **STRATEGIC REPORT**

***FOR THE YEAR ENDED 31 JANUARY 2021***

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The directors present the strategic report for the year ended 31 January 2021.

### **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 increase in turnover in the year (up over £2m). This growth has been achieved through continued investment in the vehicle fleet and particularly in warehousing capacity. Last year margins were squeezed across the business due to the investment in the warehousing capacity, however as a result of a full year with this increased capacity along with a reduction in fuel prices operating profit has increased this year to £2,078,894 (2020 - £652,996).

### **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.

Post year end Covid 19 has had minimal effect on the business. The company has continued to trade strongly.

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**

26 October 2021  
**Date**

# LOCKWOOD HAULAGE LIMITED

## DIRECTORS' REPORT

**FOR THE YEAR ENDED 31 JANUARY 2021**

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The directors present their annual report and financial statements for the year ended 31 January 2021.

### 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 K R Allsop	(Appointed 2 September 2020)
Mr M P Graham	(Appointed 1 April 2021)
Mrs S E Rhodes	(Appointed 1 April 2021)

### Results and dividends

The results for the year are set out on page 8.

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 Audit 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.

### Strategic report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report.

## **LOCKWOOD HAULAGE LIMITED**

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

***FOR THE YEAR ENDED 31 JANUARY 2021***

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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**

26 October 2021

**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 2021 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 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 2021 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

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.

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.

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

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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.



# **LOCKWOOD HAULAGE LIMITED**

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

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

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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.

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the company;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions; and
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators including the Health and Safety Executive, and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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  
Staffordshire  
ST5 0EZ

**28 October 2021**

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

Chartered Certified Accountants  
Statutory Auditor

## LOCKWOOD HAULAGE LIMITED

### PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 JANUARY 2021

	Notes	2021 £	2020 £
Turnover	3	22,839,381	20,727,540
Cost of sales		(15,798,531)	(15,709,218)
<b>Gross profit</b>		<b>7,040,850</b>	<b>5,018,322</b>
Administrative expenses		(5,142,711)	(4,410,306)
Other operating income		180,755	44,980
<b>Operating profit</b>	<b>4</b>	<b>2,078,894</b>	<b>652,996</b>
Interest payable and similar expenses	7	(90,905)	(140,138)
<b>Profit before taxation</b>		<b>1,987,989</b>	<b>512,858</b>
Tax on profit	8	(396,024)	(120,169)
<b>Profit for the financial year</b>		<b>1,591,965</b>	<b>392,689</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 2021*

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	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Profit for the year	1,591,965	392,689
Other comprehensive income	-	-
Total comprehensive income for the year	<u>1,591,965</u>	<u>392,689</u>

# LOCKWOOD HAULAGE LIMITED

## BALANCE SHEET

AS AT 31 JANUARY 2021

	Notes	£	2021 £	£	2020 £
<b>Fixed assets</b>					
Tangible assets	9		6,573,134		6,637,374
<b>Current assets</b>					
Stocks	10	95,425		133,288	
Debtors	11	5,911,076		5,425,901	
Cash at bank and in hand		5,123,151		1,829,906	
			<u>11,129,652</u>	<u>7,389,095</u>	
<b>Creditors: amounts falling due within one year</b>	12	(6,074,260)		(4,619,922)	
<b>Net current assets</b>			<u>5,055,392</u>	<u>2,769,173</u>	
<b>Total assets less current liabilities</b>			<u>11,628,526</u>	<u>9,406,547</u>	
<b>Creditors: amounts falling due after more than one year</b>	13		(3,558,750)	(2,969,849)	
<b>Provisions for liabilities</b>			<u>(215,962)</u>	<u>(174,849)</u>	
<b>Net assets</b>			<u><u>7,853,814</u></u>	<u><u>6,261,849</u></u>	
<b>Capital and reserves</b>					
Called up share capital	17		1,000		1,000
Profit and loss reserves	18		7,852,814		6,260,849
<b>Total equity</b>			<u><u>7,853,814</u></u>	<u><u>6,261,849</u></u>	

The financial statements were approved by the board of directors and authorised for issue on 26 October 2021 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 2021*

	Share capital	Profit and loss reserves	Total
	£	£	£
<b>Balance at 1 February 2019</b>	1,000	5,868,160	5,869,160
<b>Year ended 31 January 2020:</b>			
Profit and total comprehensive income for the year	-	392,689	392,689
	<hr/>	<hr/>	<hr/>
<b>Balance at 31 January 2020</b>	1,000	6,260,849	6,261,849
<b>Year ended 31 January 2021:</b>			
Profit and total comprehensive income for the year	-	1,591,965	1,591,965
	<hr/>	<hr/>	<hr/>
<b>Balance at 31 January 2021</b>	<u>1,000</u>	<u>7,852,814</u>	<u>7,853,814</u>

# LOCKWOOD HAULAGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 JANUARY 2021**

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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. 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 2021

### 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 2021

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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 includes debtors, amounts due to fellow group companies 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 2021

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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**

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 2021

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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.

#### **1.14 Government grants**

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

# LOCKWOOD HAULAGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2021

### 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

	2021 £	2020 £
<b>Turnover analysed by class of business</b>		
Haulage	15,817,925	15,830,861
Warehousing	7,021,456	4,896,679
	<u>22,839,381</u>	<u>20,727,540</u>
	2021 £	2020 £
<b>Other significant revenue</b>		
Grants received	135,775	-
	<u>135,775</u>	<u>-</u>

### 4 Operating profit

	2021 £	2020 £
Operating profit for the year is stated after charging/(crediting):		
Government grants	(135,775)	-
Fees payable to the company's auditor for the audit of the company's financial statements	12,642	9,018
Depreciation of owned tangible fixed assets	589,217	593,541
Depreciation of tangible fixed assets held under finance leases	1,388,584	1,152,777
Loss/(profit) on disposal of tangible fixed assets	3,980	(22,900)
Operating lease charges	2,143,661	1,911,701
	<u>2,143,661</u>	<u>1,911,701</u>

### 5 Auditor's remuneration

	2021 £	2020 £
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the company	12,642	9,018
	<u>12,642</u>	<u>9,018</u>

# LOCKWOOD HAULAGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2021

### 6 Employees

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

	2021 Number	2020 Number
Haulage and warehouse	216	182
Administration and management	31	31
	<u>247</u>	<u>213</u>

Their aggregate remuneration comprised:

	2021 £	2020 £
Wages and salaries	7,002,382	5,979,908
Employment costs	644,548	573,578
Pension costs	165,226	137,847
	<u>7,812,156</u>	<u>6,691,333</u>

### 7 Interest payable and similar expenses

	2021 £	2020 £
Interest on bank overdrafts and loans	-	61
Interest on finance leases and hire purchase contracts	90,905	140,077
	<u>90,905</u>	<u>140,138</u>

### 8 Taxation

	2021 £	2020 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	354,911	15,231
	<u>354,911</u>	<u>15,231</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	41,113	104,938
	<u>41,113</u>	<u>104,938</u>
<b>Total tax charge</b>	<u>396,024</u>	<u>120,169</u>

# LOCKWOOD HAULAGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2021

### 8 Taxation

(Continued)

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:

	2021 £	2020 £
Profit before taxation	1,987,989	512,858
Expected tax charge based on the standard rate of corporation tax in the UK of 19% (2020: 19%)	377,718	97,443
Tax effect of expenses that are not deductible in determining taxable profit	5,724	4,767
Capital allowances	(405,069)	(414,428)
Depreciation	375,782	331,800
Deferred tax movement	41,113	104,938
Loss/(profit) on sale of fixed assets	756	(4,351)
Taxation charge for the year	396,024	120,169

### 9 Tangible fixed assets

	Leasehold improvements £	Plant and equipment £	Fixtures and fittings £	Motor vehicles £	Lorries and trailers £	Total £
<b>Cost</b>						
At 1 February 2020	643,014	3,312,829	267,955	554,611	10,175,446	14,953,855
Additions	41,983	270,889	13,429	1,900	1,593,341	1,921,542
Disposals	-	-	-	-	(78,000)	(78,000)
At 31 January 2021	684,997	3,583,718	281,384	556,511	11,690,787	16,797,397
<b>Depreciation and impairment</b>						
At 1 February 2020	492,037	1,592,876	173,448	127,246	5,930,875	8,316,482
Depreciation charged in the year	44,710	392,633	40,269	114,130	1,386,059	1,977,801
Eliminated in respect of disposals	-	-	-	-	(70,020)	(70,020)
At 31 January 2021	536,747	1,985,509	213,717	241,376	7,246,914	10,224,263
<b>Carrying amount</b>						
At 31 January 2021	148,250	1,598,209	67,667	315,135	4,443,873	6,573,134
At 31 January 2020	150,976	1,719,954	94,507	427,366	4,244,571	6,637,374

# LOCKWOOD HAULAGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2021

### 9 Tangible fixed assets

(Continued)

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

	2021 £	2020 £
Plant and equipment	68,245	513,822
Motor vehicles	309,721	348,621
Lorries and trailers	3,982,452	3,553,884
	<u>4,360,418</u>	<u>4,416,327</u>

### 10 Stocks

	2021 £	2020 £
Stocks	95,425	133,288
	<u>95,425</u>	<u>133,288</u>

### 11 Debtors

	2021 £	2020 £
<b>Amounts falling due within one year:</b>		
Trade debtors	4,708,812	4,412,518
Amounts owed by group undertakings	538,425	510,997
Prepayments and accrued income	663,839	502,386
	<u>5,911,076</u>	<u>5,425,901</u>

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

	Notes	2021 £	2020 £
Obligations under finance leases	14	1,598,618	1,556,827
Trade creditors		1,144,370	1,040,920
Amounts owed to group undertakings		-	240,765
Corporation tax		255,163	(14,769)
Other taxation and social security		1,726,719	820,348
Other creditors		52,792	52,158
Accruals and deferred income		1,296,598	923,673
		<u>6,074,260</u>	<u>4,619,922</u>

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

# LOCKWOOD HAULAGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2021

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

	Notes	2021 £	2020 £
Obligations under finance leases	14	3,558,750	2,969,849

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

### 14 Finance lease obligations

	2021 £	2020 £
Future minimum lease payments due under finance leases:		
Within one year	1,598,618	1,556,827
In two to five years	3,558,750	2,969,849
	5,157,368	4,526,676

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.

### 15 Deferred taxation

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

	Liabilities 2021 £	Liabilities 2020 £
<b>Balances:</b>		
Accelerated capital allowances	215,962	174,849
<b>Movements in the year:</b>		2021 £
Liability at 1 February 2020		174,849
Charge to profit or loss		41,113
Liability at 31 January 2021		215,962



# LOCKWOOD HAULAGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2021

### 16 Retirement benefit schemes

	2021	2020
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	165,226	137,847

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

	2021	2020	2021	2020
Ordinary share capital	Number	Number	£	£
Issued and fully paid				
Ordinary shares of £1 each	1,000	1,000	1,000	1,000

The ordinary shares carry full voting, dividend and capital distribution rights.

### 18 Profit and loss reserves

The retained earnings reserve holds the retained earnings of the Company, after the deduction of any dividends paid in the period.

### 19 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.

### 20 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:

	2021	2020
	£	£
Within one year	1,410,539	1,410,539
Between two and five years	3,239,679	4,052,747
In over five years	4,978,921	5,576,391
	9,629,139	11,039,677

### 21 Related party transactions

#### 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.

## **LOCKWOOD HAULAGE LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 31 JANUARY 2021***

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#### **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.