Thomas Cradley Group Holdings Limited

Company Number 11456762

Annual Report and Consolidated Financial Statements – 30 April 2022

Thomas Cradley Group Holdings Limited
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Directors	J M Sutton K Broom T Broadhurst A Denton C Kerry G McFaull
Company secretary	N Wignall Jennings
Registered number	11456762
Registered office	Gorsey Lane Widnes Cheshire WA8 0GG
Independent Auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 1 Hardman Square Manchester M3 3EB
Bankers	HSBC Bank plc 99-101 Lord Street Liverpool Merseyside L2 6PG

The directors present the Strategic Report of Thomas Cradley Group Holdings Limited and its subsidiaries (the "group")

Review of the business

The 2022 financial year saw the group emerge from the initial direct impacts of Covid-19 and the UK's exit from the European single market (Brexit). The impact of Covid-19 continued to influence the group's activities in a more indirect, but no less significant way. As the UK and other countries around the world in which we operate, emerged from lockdowns demand for goods surged placing strain on the global supply chain. This, in-turn, led to labour shortages in the UK, the USA and across Europe leading to a shortage of drivers, increased driver churn and ultimately a significant increase in wage costs. In addition, the surge in demand for global shipping led to a shortage of capacity and congestion in ports and storage depots which significantly increased transit times and led to a shortage of available iso-tank capacity. In the second half of the year the supply chain disruption started to feed through into general inflationary pressure with significant cost increases across a wide range of inputs such as fuel, vehicle prices and maintenance costs. At the end of the year the war in Ukraine led to a further surge in fuel and energy costs which further fuelled inflation.

Overall, the group coped well with these exceptional challenges, despite a period of driver churn in the Tankers division and increased difficulty in retaining and recruiting new staff across the globe our dedicated team continued to deliver high levels of customer service and to meet the needs of our customers in very difficult market conditions. Our procurement teams have worked hard to source shipping capacity, transport, equipment and other essential inputs in disrupted markets and constantly renegotiated prices in a period of high inflation. Our operations teams have worked hard to plan and replan movements against a background of limited capacity and constant disruption as shipping lines delayed or cancelled sailings and sub-contract hauliers overseas could not meet demand. Our commercial teams have had to work with customers to pass on the impact of increased costs, renegotiating rates constantly throughout the year as inflationary pressures arose. The front-line operations have been supported by our I.T., H.R. and finance teams.

In the first quarter of the year the UK Tankers division saw volumes fully recover from Covid-19 and grow from the implementation of new business. In the second quarter the impact of strain on the driver market, as volumes recovered across the economy, led to a significant increase in driver churn which put pressure on capacity. This was ultimately addressed by an increase on driver wages to keep pace with market rates which were passed to customers through higher prices. Quarter three then saw the effects of cost inflation feeding through to many other areas of the business, again these costs were largely passed to customers through another round of rate increases. The last quarter saw profitability recover, as rate increases fed through, but was then impacted by the war in the Ukraine which, although not having a direct impact on demand, led to a further increase in fuel prices. The vast majority of our contracts have mechanisms which adjust pricing as fuel prices rise and fall, so this had little impact on profitability, but did increase turnover.

The Tankers division also found it difficult to acquire new vehicles in the early part of the year due to supply chain shortages impacting manufacturers, however, due to the age profile of the fleet this did not cause significant disruption. Delays in delivery of vehicles led to a fall in capital expenditure year on year, deliveries increased towards the end of the year and have continued during the first quarter of the new financial year.

The International Division continued to experience volatile market conditions driven by the initial Covid-19 pandemic and the resulting global supply chain disruption. The supply chain disruption led to a shortage of iso-tank capacity in many markets creating challenges and opportunities that our commercial, operational and support functions have addressed. Effective network balancing and improved pricing and margins have led to continual and consistent improvement in financial performance across the financial year. Demand and margins have remained high into the first quarter of the 2023 financial year.

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

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

As a result of the market conditions explained above the group's turnover from continuing operations increased from £192m in 2021 to £259m in 2022. The increase in turnover arose due to a number of factors including pass through of increased driver wage inflation, freight and haulage costs arising from disruption in the global supply chain, new business and the acquisition of VTG Tanktainer's deep sea activities in the last 4 months of the year.

The group achieved an operating profit of £6.9m in the For the year ended 30 April 2022 compared to £0.6m in 2021. Both divisions contributed to the increased profitability, with the bulk arising from improved market conditions in the International business. The post-tax profit of £3.1m for 2022 was an increase of £4.5m over the loss of £1.3m in 2021.

Earnings before interest, taxation, depreciation and amortisation ('EBITDA')

	2022 £m	2021 £m
Operating profit	6.9	0.6
Depreciation	14.1	12.6
Amortisation	2.1	2.5
EBITDA	23.1	15.7

The group generated EBITDA of £23.1m in 2022 up from £15.7m in 2021 as a result of the increased operating profit.

The group invested a total of £22.0m in new equipment for the Tankers and International divisions, I.T. hardware and systems and freehold land during the year to maintain and expand its asset base and improve efficiency and service delivery.

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

Covid-19
The group has been impacted by the direct and indirect results of the Covid-19 pandemic over the last two years. The direct impacts have resulted from lockdowns in various countries preventing staff from attending our offices. Our initial contingency plans worked well allowing us to operate effectively with staff working from home. Over the last year we have continued to invest in new computer hardware and systems which have further enhanced this capability. As restrictions eased in the second half of the year, we have started to partially reintroduce office working for staff.

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

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

Russia/Ukraine conflict
The group has no significant direct exposure to the conflict in Ukraine due to having no operations within either territory. The increased fuel and energy prices linked to the conflict are mitigated via our pricing structure.

Brexit
The initial impact of Brexit on the group has been limited to a fall in profitability in its short sea business. It is expected that the impact will reduce gradually over the 2023 financial year as the disruption caused by new customs procedures reduces and increased costs are passed on to our customers.

In the longer-term, increased transit times and costs for our customer could drive future decisions around the location of chemical manufacturing plants and where materials are sourced and sold. Over the long-term, this could lead to changes to the flow of products between the UK and Europe. Given the diverse nature of the group's logistic activities, both within the UK and internationally, the directors are confident that it would adapt to the outcome, whatever that may be.

Financial risks
Financial risks are managed through internal management controls, along with accurate and timely management information and KPI report.

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

The Company continues to trade in foreign currencies, utilising a mix of forward contracts and other instruments in order to protect its margin from any significant, short term, foreign exchange fluctuations.

Financial key performance indicators
The group and its subsidiary companies uses a number of financial and non-financial KPI's when reviewing performance which include, but are not limited to;

- Revenue per job
- Revenue per shift
- Revenue per vehicle
- Margin per job and per tank day
- Gross margin
- Tank utilisation
- Loads per tank
- Staff turnover
- Lost time accident frequency
- Road traffic accident frequency

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

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

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

Section 172(1) statement
The directors satisfy their duty to promote the long term success of the group whilst having regard to the matters and stakeholders as described in Section 172, points (a) to (f) of the Companies Act 2006 through the adhered to its corporate governance framework. The success of the business is dependent on the support of all of its stakeholders. Building positive relationships with stakeholders that share our values is important to us and working together towards shared goals assists us in delivering long-term sustainable success. The leadership team make decisions with a long-term view in mind and with the highest standards of conduct in line with company policy. The directors take care to have regard to the likely consequences on all stakeholders of the decisions and actions which they take. Where possible, decisions are carefully discussed with affected groups and are therefore fully understood and supported when taken.

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

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

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

Environmental and community impact
The group is committed to positively responding to the impact of climate change. We have introduced a number of initiatives including; carbon footprint measurement, installing EV charge points at our offices, offering our staff the option of electric company cars, promoting the cycle to work scheme and increasing time spent working from home. We have also reduced our paper use by reducing printing, the phasing out of paper-based files and recycling of waste paper.

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

Employee engagement
The Board and senior management of the group and its individual businesses, recognise that the engagement of all colleagues is key to the future development of a successful and profitable business. The group have implemented measures detailed below, to inform employees of the progress, performance and prospects of the group.

Regular communication with colleagues throughout the business is key to developing an effective business culture. We continue to communicate via face to face briefings where possible, CEO and other senior manager video briefings, the group's staff magazine Teamtalk, our employee Facebook page and our group intranet site. Over the last year this has been enhanced by the introduction of blogs and regular e-mail updates to ensure that engagement and communication is maintained.

Where colleagues have union representation we engage in regular consultation with their elected and national representatives to allow them the opportunity to make their views known on matters that affect them. The majority of colleagues who do not have union representation continue to have semi-annual performance review meetings to discuss performance and give them the opportunity to discuss any topics of concern. There are plans to roll out annual appraisal meetings for all colleagues whether or not they have union representation. We have also introduced "communication champions" at all locations to work on improving engagement across the group.

Thomas Cradley Group Holdings Limited
Strategic report
For the year ended 30 April 2022

The group operates a "Star Award" scheme which recognises colleagues who deliver exceptional levels of customer service, good safety practice or performance.

All of the above methods of engagement aim to ensure that every colleague understands the financial performance of the business and those financial, economic and social factors, such as Covid-19, affect it.

The Board of directors use all channels of communication described above to actively engage with colleagues over the last year. This engagement and communication has allowed the directors to listen to colleagues views and take them into account in making key decisions over the year. This has been evident around measures to protect colleagues and the business from the impact of Covid-19.

The Board acknowledges and thanks colleagues for the efforts they have made to keep the business operating effectively and delivering excellent customer service throughout the Covid-19 pandemic and its aftermath. All of our teams have had to work hard to maintain the high levels of service our customers expect in disrupted and difficult market conditions.

Other Stakeholder engagement
The Board and senior management of the group and its individual businesses also recognises that the engagement of with customers, suppliers, financial institutions, regulatory bodies and shareholders are key to the future development of a successful and profitable business.

Operational colleagues have day to day face to face, telephone, e-mail and video conference contact with customers and suppliers. This is supplemented by a customer relationship management process which ensures that a range of regular review meetings and events are undertaken to keep them informed about the performance and development of the business and to get their views on our service. We are in the process of implementing technology to monitor, record and enhance this process.

Key suppliers also receive daily operational communication and have regular review meetings and audits.

Regular communication on the group's development and financial performance is shared with financial institutions who provide funding to the business, this takes place through regular financial reports and meetings to brief them on strategy and factors affecting the business.

The group's shareholders are represented by direct representation on the group holding company Board supplemented by other independent non-executive directors ensuring that their views and interests are considered in all key decisions and that the executive directors are accountable for their management of the business.

The group has enhanced engagement with stakeholders, including the general public, by the introduction of Facebook and Linkedin pages and its, recently re-designed, internet site.

This report is made in accordance with a resolution of directors.

On behalf of the directors

K Broom
Director

9 December 2022

The directors present their report, together with the audited financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Thomas Cradley Group Holdings Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 April 2022.

Principal activities
The principal activity of the Company is that of a holding company. The principal activities of its subsidiaries are the provision of bulk logistics services, within the UK and internationally, to the chemical, petroleum, gas and food markets, including transport, warehousing, shipping and drumming.

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

T Broadhurst
K Broom
A Denton
C Kerry
G McFaull
J M Sutton

Basis of consolidation
The group financial statements have been prepared in accordance with the principles of equity accounting. The profits of subsidiaries have been included in the financial statements for the whole of the year ended 30th April 2022.

Foreign branches
The group has four foreign branches, which operate in Singapore, Germany, USA and the Netherlands, whose results are included within a subsidiary of the group, Suttons International Limited.

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

This is on the basis that the group showed a Total comprehensive profit in the year of £2.5m (2021: loss of £0.5m) and the groups net asset position remains strong at £51m (2021: £48.7m). The group has a net bank overdraft facility with a limit of £7m and a revolving finance facility with a limit of £22m. The net cash and revolving finance facility liabilities at 30 April 2022 was £17.3m (2021: net liability of £10.7m) meaning that there was headroom of £11.7m (2021: headroom of £14.3m) at the financial year end.

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

Dividends
Dividends paid during the financial year were as follows:

	2022 £'000	2021 £'000
Interim dividend	250	-

The directors propose that no final dividend (2021: £nil) is paid.

The directors have considered their fiduciary duties in advance of proposing dividends. The directors are considering a more formal process to ensure that the company remains in a positive reserves position going forward.

Review of operations
The profit for the consolidated entity attributable to the owners of the group, after providing for income tax and non-controlling interest amounted to £3.1m (2021: loss of £1.3m).

Research and development
No research and development costs were incurred during the year.

Charitable and political donations
No charitable or political donations were made during the year.

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

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

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

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

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

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

Streamlined energy and carbon report
The world's response to climate change is driving a transformation of the global business landscape. Delivering the UK's binding commitment to net zero emissions by 2050 requires far-reaching changes in every aspect of the economy including the sectors including energy, land, infrastructure (transport and buildings), agriculture, manufacturing, resource management and industrial systems.

Thomas Cradley Group Holdings Limited are committed to positively responding to the impact of climate change. We have introduced a number of initiatives including; carbon footprint measurement, installing EV charge points at our offices, offering our staff the option of electric company cars, promoting the cycle to work scheme, increasing time spent working from home and proactive management of fuel consumption across our commercial vehicle fleet. We have also reduced our paper use by reducing printing, the phasing out of paper-based files and recycling of waste paper.

We are actively monitoring the development of alternatively fueled heavy commercial vehicles to ensure that we are well placed to be an early adopter of new technologies as they become commercially and operationally viable.

The directors report the following emissions by Thomas Cradley Group Holdings Limited for the year ended 30 April 2022 and 30 April 2021:

Year ended 30 April 2022	Indirect - Electricity	Indirect - Gas	Direct - natural gas	Total
Purchased for own use (kWh)	1,358,612	3,765,443		5,124,055
Co2 e emissions (kg)	316,747	696,607	47,001,220	48,014,574
Intensity ratio - tonnes of Co2e per £1m of revenue*				185

*Total revenue for the year £259,474,000

Year ended 30 April 2021	Indirect - Electricity	Indirect - Gas	Direct - natural gas	Total
Purchased for own use (kWh)	1,717,144	4,531,969		6,249,113
Co2 e emissions (kg)	400,335	838,414	39,322,112	40,560,861

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

Matters subsequent to the end of the financial year
No matter or circumstance has arisen since 30 April 2022 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years

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

Directors' responsibilities statement
The directors are responsible for preparing the Strategic report, Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the consolidated entity and the profit or loss of the consolidated entity for that year.

In preparing these financial statements, the directors are required to:
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the consolidated entity will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the consolidated entity's transactions and disclose with reasonable accuracy at any time the financial position of the consolidated entity 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 consolidated entity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditors
The auditors PricewaterhouseCoopers LLP continue in office.

This report is made in accordance with a resolution of directors.

On behalf of the directors

K Broom
Director

9 December 2022

Independent auditor's report to the members of Thomas Cradley Group Holdings Limited

Report on the audit of the financial statements

Opinion

In our opinion, Thomas Cradley Group Holdings Limited's group financial statements and company financial statements (the "financial statements"):

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

We have audited the financial statements, included within the Annual Report and Consolidated Financial Statements - 30 April 2022 (the "Annual Report"), which comprise: the Consolidated and Company balance sheets as at 30 April 2022; the Consolidated statement of profit or loss, the Consolidated statement of other comprehensive income, the Consolidated and Company statements of changes in equity and the Consolidated statement of cash flows for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

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

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

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Independent auditor's report to the members of Thomas Cradley Group Holdings Limited

Reporting on other information (continued)

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

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

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 30 April 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

In preparing the financial statements, the directors are responsible for assessing the group's and 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 group or the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

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

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

Independent auditor's report to the members of Thomas Cradley Group Holdings Limited

Auditors' responsibilities for the audit of the financial statements (continued)

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

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

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility

Helen Smuts

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

Thomas Cradley Group Holdings Limited
Consolidated statement of profit or loss
For the year ended 30 April 2022

	Note	2022 £'000	2021 £'000
Revenue			
Turnover	4	259,474	191,516
Cost of sales		(221,676)	(164,758)
Gross profit		37,798	26,758
Expenses			
Administrative expenses		(31,101)	(26,887)
Gain on the revaluation of investment properties, net of tax		-	539
Other operating income		221	197
Operating profit	5	6,918	607
Interest receivable and similar income	8	330	443
Interest payable and similar expenses	9	(2,195)	(1,705)
Profit/(loss) before taxation		5,053	(655)
Tax on profit/(loss)	10	(1,892)	(637)
Profit/(loss) for the financial year		3,161	(1,292)
Profit/(loss) for the financial year is attributable to:			
Non-controlling interest		57	35
Owners of Thomas Cradley Group Holdings Limited		3,104	(1,327)
		3,161	(1,292)

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £264,000 (2021 loss of: £31,000), and a dividend of £250,000 was paid during the year (2021: £nil).

The above results relate to continuing operations
The above consolidated statement of profit or loss should be read in conjunction with the accompanying notes

Thomas Cradley Group Holdings Limited
Consolidated statement of other comprehensive income
For the year ended 30 April 2022

	2022 £'000	2021 £'000
Profit/(loss) for the financial year	3,161	(1,292)
Other comprehensive (expense)/income		
Items that may be reclassified subsequently to profit or loss		
Net change in the fair value of cash flow hedges taken to total equity, net of tax	(1,277)	1,257
Foreign currency translation	743	(502)
Elimination of investment in subsidiary	(91)	
Other comprehensive (expense)/income for the year, net of tax	(625)	755
Total comprehensive income/(expense) for the year	2,536	(537)
Total comprehensive income/(expense) for the year is attributable to:		
Non-controlling interest	66	(4)
Owners of Thomas Cradley Group Holdings Limited	2,470	(533)
	2,536	(537)

The above consolidated statement of other comprehensive income should be read in conjunction with the accompanying notes

Thomas Cradley Group Holdings Limited
Consolidated and Company balance sheets
As at 30 April 2022

	Note	Group 2022 £'000	*Restated Group 2021 £'000	Company 2022 £'000	Company 2021 £'000
Fixed assets					
Goodwill		6,300	8,884	-	-
Negative goodwill		(6,343)	-	-	-
Development costs		125	125	-	-
Intangible assets	11	82	9,009	-	-
Tangible assets	12	104,482	98,400	-	-
Investments	13	-	-	30	30
Investment properties	14	3,292	2,555	-	-
Total fixed assets		107,856	109,964	30	30
Current assets					
Stocks	15	950	689	-	-
Debtors	16	81,815	49,984	11	-
Cash at bank and in hand	17	18,121	24,221	-	-
Total current assets		100,886	74,894	11	-
Creditors: amounts falling due within one year	18	105,973	88,206	40	43
Net current liabilities		(5,087)	(13,312)	(29)	(43)
Total assets less current liabilities		102,769	96,652	1	(13)
Creditors: amounts falling due after more than one year	19	37,195	39,397	-	-
Net assets before provisions and liabilities		65,574	57,255	1	(13)
Provisions and liabilities	21	14,547	8,514	-	-
Net assets/(liabilities)		51,027	48,741	1	(13)
Total equity					
Called up share capital	22	30	30	30	30
Revaluation reserve	23	1,854	1,939	-	-
Retained earnings/(Accumulated losses)	24	49,317	47,012	(29)	(43)
Equity attributable to the owners of Thomas Cradley Group Holdings Limited		51,201	48,981	1	(13)
Non-controlling interest	25	(174)	(240)	-	-
Total equity		51,027	48,741	1	(13)

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

Thomas Cradley Group Holdings Limited
Consolidated and Company balance sheets
As at 30 April 2022

* A number of balances as at 30 April 2021 were reclassified within the balance sheet. These adjustments are detailed in note 28. These adjustments have not resulted in any change to the amounts previously disclosed as total assets, net assets or profit for the year.

The financial statements on page 15 to 47 were approved by the Board of Directors on 09/12/2022 and signed on its behalf by:

K Broom
Director
9 December 2022

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

Thomas Cradley Group Holdings Limited
Consolidated and Company statements of changes in equity
For the year ended 30 April 2022

Group	Issued capital £'000	Revaluation Reserve £'000	Retained earnings £'000	Non-controlling interest £'000	Total equity £'000
Balance at 1 May 2020	30	1,400	48,084	(236)	49,278
Profit/(loss) after taxation for the year	-	539	(1,866),	35	(1,292)
Other comprehensive income/(expense) for the year, net of tax	-	-	794	(39)	755
Total comprehensive expense for the year	-	539	(1,072)	(4)	(537)
Balance at 30 April 2021	30	1,939	47,012	(240)	48,741

Group	Issued capital £'000	Revaluation Reserve £'000	Retained earnings £'000	Non-controlling interest £'000	Total equity £'000
Balance at 1 May 2021	30	1,939	47,012	(240)	48,741
Profit after taxation for the year	-	(85)	3,189	57	3,161
Other comprehensive income/(expense) for the year, net of tax	-	-	(634)	9	(625)
Total comprehensive income for the year	-	(85)	2,555	66	2,536
Transactions with owners in their capacity as owners:					
Dividends paid (note 30)	-	-	(250)	-	(250)
Balance at 30 April 2022	30	1,854	49,317	(174)	51,027

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

Thomas Cradley Group Holdings Limited
Consolidated and Company statements of changes in equity
For the year ended 30 April 2022

Company	**Issued capital £'000**	**Retained earnings £'000**	**Total deficiency in equity £'000**
Balance at 1 May 2020	30	(12)	18
Loss after taxation for the year	-	(31)	(31)
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive expense for the year	-	(31)	(31)
Balance at 30 April 2021	30	(43)	(13)

Company	**Issued capital £'000**	**Retained earnings £'000**	**Total total equity £'000**
Balance at 1 May 2021	30	(43)	(13)
Profit after taxation for the year	-	264	264
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	264	264
Transactions with owners in their capacity as owners:			
Dividends paid (note 30)	-	(250)	(250)
Balance at 30 April 2022	30	(29)	1

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

Thomas Cradley Group Holdings Limited
Consolidated statement of cash flows
For the year ended 30 April 2022

	Note	2022 £'000	2021 £'000
Net cash flows from operating activities			
Profit/(loss) for the financial year		3,161	(1,292)
Interest payable	9	2,195	1,705
Interest receivable and similar income	8	(330)	(443)
Tax on profit/(loss)	10	1,892	637
Amortisation and impairment of intangible assets	5	2,140	2,530
Depreciation and impairment of tangible assets	5	14,108	12,617
Loss on disposal of tangible assets		95	870
		23,261	16,624
Increase in stocks	15	(261)	(32)
Increase in debtors	16	(29,798)	(1,834)
Increase in creditors	18	14,168	2,276
Increase in provisions	21	3,613	0
Tax (paid)/refund		(2,137)	78
Net effect of foreign exchange on working capital		746	(502)
Gain on revaluation of investment properties	14	-	(839)
Net effect of foreign exchange from derivatives		(1,277)	1,257
Net cash generated from operating activities		8,315	17,028
Net Cash flows from investing activities			
Purchase of intangible assets	11	125	-
Acquisition cost on purchase of intangible assets	11	(484)	
Purchase of tangible fixed assets	12	(11,074)	(17,162)
Proceeds from disposal of tangible fixed assets		1,781	2,216
Purchase of investment properties	14	(737)	-
Interest received	8	330	443
Net cash used in investing activities		(10,059)	(14,503)
Cash flows from financing activities			
Repayment of obligations under finance leases	20	(16,826)	(12,746)
Dividends paid to equity shareholders	26	(250)	-
Interest paid		(767)	(1,705)
Proceeds from new finance leases to fund purchase of tangible fixed assets	20	13,026	15,394
Net cash generated from/(used in) financing activities		(4,817)	943
Net (decrease)/increase in cash and cash equivalents		(6,561)	3,468
Cash and cash equivalents at the beginning of the financial year		(10,747)	(14,215)
Cash and cash equivalents at the end of the financial year	17	(17,308)	(10,747)

The company is a qualifying entity for the purposes of FRS 102 and has elected to take the exemption under paragraph 1.12(b) of FRS 102 not to present the company statement of cash flows.

The above consolidated statements of cash flows should be read in conjunction with the accompanying notes

1. General information

The financial statements cover both Thomas Cradley Group Holdings Limited as an individual entity and the consolidated entity consisting of Thomas Cradley Group Holdings Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Pound sterling, which is Thomas Cradley Group Holdings Limited's functional and presentation currency.

Thomas Cradley Group Holdings Limited is a company limited by shares, incorporated and domiciled in the United Kingdom. Its registered office and principal place of business is:

Gorsey Lane, Widnes, Cheshire WA8 0GG

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

2. Accounting policies

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

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

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

Exemptions from qualifying entities under FRS 102
The company is a qualifying entity for the purposes of FRS 102 and has elected to take the exemption under paragraph 1.12(b) of FRS 102 not to present the company statement of cash flows.

Basis of preparation
Historical cost convention
The financial statements have been prepared on a going concern basis under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of tangible assets and derivative financial instruments.

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

2. Accounting policies (continued)

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Thomas Cradley Group Holdings Limited ('Company' or 'parent entity') as at 30 April 2022 and the results of all subsidiaries for the year then ended. Thomas Cradley Group Holdings Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

The consolidated financial statements have been prepared in accordance with the principles of equity accounting. The profits of subsidiaries have been included in the financial statements for the whole of the year ended 30th April 2022.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss, balance sheet and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Interests in subsidiaries are accounted for at cost, less any impairment, in the parent entity. Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Turnover
Turnover is recognised when it is probable that the economic benefit will flow to the consolidated entity and it can be reliably measured. Turnover is measured at the fair value of the consideration received or receivable for the provision of haulage, warehousing, forwarding and freight services provided before the balance sheet date, net of VAT.

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

In the case that a sales invoice is raised prematurely, a deferred income balance will arise, until it is deemed appropriate to recognise the sale. In the case that a sale has occurred, but no sales invoice has been raised, an accrued income balance will arise, until the sales invoice has been raised.

The directors do not consider rental income to be part of the core business and therefore do not include this within turnover.

Interest income
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other operating income
Other operating income is largely comprised of third party rental income charged out for use of premises owned by the group. Rental arrangements are operating leases covering fixed periods and the income is spread straight line over the lease period. Any rent free periods are spread over the period of the lease and any upfront payments are treated as deferred income until the income can be recognised. The directors do not consider rental income to be part of the core business and therefore do not include this within turnover.

2. Accounting policies (continued)

Income tax

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

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

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

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

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

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

Current and non-current classification

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

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

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

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

Cash and cash equivalents

Cash at bank and in hand includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the balance sheet.

Debtors

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

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

2. Accounting policies (continued)

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

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

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

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

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

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

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

Investment properties
Investment properties principally comprise of freehold land and buildings held for long-term rental and capital appreciation that are not occupied by the consolidated group. Investment properties are initially recognised at cost, including transaction costs, and are subsequently remeasured annually at fair value. Movements in fair value are recognised directly to profit or loss. Unrealised gains in fair value are recorded in profit and loss but are separately tracked in a revaluation reserve. The investment properties fair value is based on a periodic, at least every 3 years, valuations by external independent valuers.

Tangible assets
Tangible assets are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

2. Accounting policies (continued)

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

Buildings	2% - 10% per annum straight line basis
Plant and equipment (including IT hardware and systems)	10% - 33% per annum straight line basis
Fixtures and Fittings	20% per annum straight line basis
Cars, tanks, trailers and tractor units	5.6% - 33% per annum straight line basis

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

An item of tangible assets is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Leases

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

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

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

Leased assets acquired under a finance lease are depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the consolidated entity will obtain ownership at the end of the lease term. The groups leased assets are financed by a separate company to that which provides the assets to the group.

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

Intangible assets

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

2. Accounting policies (continued)

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

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

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

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

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

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

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

Impairment of non-financial assets
At each reporting end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the assets belong. Cash-generating units are determined as the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

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

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

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

2. Accounting policies (continued)

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

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

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

Financial Instruments
The group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtor and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

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

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

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

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

The group applies hedge accounting for transactions entered into to manage the cashflow exposure of trading. Changes in the fair values of derivatives which are effective are recognised directly in the equity. At ineffectiveness in the hedging relationship (being the excess of the cumulative change in the fair value of the hedging instrument since the inception of the hedge over the cumulative charge in the fair value of the hedged item since inception of the hedge) is recognised in the income statement.

The gain or loss recognised in other comprehensive income is reclassified to the income statement when the hedge relationship ends. Hedge accounting is discontinued when the hedging instrument expires, no longer meets the hedging criteria, the forecast transaction is no longer highly probable, or the hedged debt instrument is derecognised, or the hedging instrument is terminated.

2. Accounting policies (continued)

Interest expenses
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

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

Employee benefits

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

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

Defined contribution pension expense
The Company operates a defined contribution scheme for the benefit of its employees. Contributions are expensed in the period in which they are incurred.

Foreign currency translation
Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

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

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

2. Accounting policies (continued)

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

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Called up share capital
Ordinary shares are classified as equity.

Dividends
Dividends are recognised when declared during the financial year and no longer at the discretion of the Company.

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Company, on or before the end of the financial year but not distributed at the reporting date.

Dividends on share recognised as liabilities are recognised as expenses and classified within interest payable.

Business combinations
The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

Under the merger accounting method, the results and cash flows of all the combining entities are brought into the financial statements from the beginning of the financial year in which the combination occurred. Assets and liabilities are merged at book value. The comparative information has been restated by including the total comprehensive income for all the combining entities for the previous reporting period and their balance sheets for the previous reporting period.

No difference was present between the nominal value of the shares issued and the nominal value of the shares received in the exchange, therefore no merger reserve was created.

Acquisitions which are not group reconstructions are accounted for using the acquisition method of accounting. Under this method, results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated income statement from the date of acquisition or up to the date of disposal.

Value-Added Tax ('VAT') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated VAT, unless the VAT incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

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

Cash flows are presented on a gross basis. The VAT components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

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

Rounding of amounts
Amounts in this report have been rounded off to the nearest thousand pounds.

2. Accounting policies (continued)

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

Related party transactions
The group discloses transactions with related parties which are not wholly owned within the same group. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the directors, separate disclosure is necessary to understand the effect of the transactions on the group financial statements.

3. Accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Fair value measurement hierarchy (judgement)
The consolidated entity is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

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

Goodwill and other indefinite life intangible assets (estimate)
The consolidated entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 2. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets (judgement)
The consolidated entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

3. Accounting judgements, estimates and assumptions (continued)

Recovery of deferred tax assets (judgement)
Deferred tax assets are recognised for deductible temporary differences only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

4. Turnover

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

	2022 £'000	2021 £'000
Haulage and warehousing	112,979	90,639
Forwarding and freight	146,495	100,877
	259,474	191,516

Turnover analysed by geographical market:

	2022 £'000	2021 £'000
United Kingdom	138,715	113,374
United States of America	22,519	19,601
Continental Europe	58,829	33,577
Rest of World	39,411	24,964
	259,474	191,516

5. Operating Profit

Operating profit is stated after charging/(crediting):

	2022 £'000	2021 £'000
Exchange (gains)/losses	(1,311)	733
Depreciation of owned tangible assets	8,463	6,031
Depreciation of tangible assets held under finance lease	5,645	6,586
Loss on disposal of tangible fixed assets	95	871
Amortisation of intangible assets	2,140	2,530
Operating lease charges	369	454
Hire charges	6,567	4,568
Bad debts and other provisions	65	(230)
Gain on the revaluation of investment property, net of tax	-	539

In the prior year, the group managed to recover debts that were previously provided for which created a bad debt credit of £230,000.

6. Employees

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

	2022	2021
UK Haulage	913	790
Forwarding and Freight	114	122
Other	191	196
Average number of employees	1,218	1,108

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

	2022 £'000	2021 £'000
Wages and salaries	55,662	44,634
Social security costs	6,375	4,771
Other pension costs	2,103	1,892
Total employee benefits expense	64,140	51,297

Company

The average monthly number of employees, including the directors, during the year was nil (2021: nil).

7. Directors' remuneration

	2022 £'000	2021 £'000
Aggregate directors' remuneration	1,241	954
Company contributions to defined contribution pension scheme	10	8
	1,251	962

During the year retirement benefits were accruing to 3 directors (2021: 2) in respect of defined contribution pension schemes.

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2022 £'000	2021 £'000
Remuneration for qualifying services	547	383
Company pension contributions	6	8
	553	391

8. Interest receivable and similar income

	2022 £'000	2021 £'000
Interest on bank deposits	330	443

9. Interest payable and similar expenses

Interest on financial liabilities is measured at amortised cost:

	2022 £'000	**2021 £'000**
Interest on bank overdrafts and loans	336	210
Finance leases and hire purchase contracts	1,859	1,495
	2,195	1,705

10. Tax on profit/(loss)

	2022 £'000	**2021 £'000**
Corporation tax		
Current corporation tax	-	26
Adjustment in respect of prior years corporation tax	(67)	406
Foreign current tax	1,881	101
Total current tax	1,814	533
Deferred tax		
Origination and reversal of timing differences	(672)	96
Adjustments in respect of prior years deferred tax	(151)	337
Effect of changes in tax rates	901	-
Deferred tax on other comprehensive income	-	(329)
Total deferred tax	78	104
Aggregate taxation	1,892	637

Factors affecting tax charge/(credit) for the year
The tax assessed for the year is higher than (2021: higher than) the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%). The differences are explained below:

	2022	2021
Profit/(loss) before taxation	5,053	(655)
Tax at the statutory tax rate of 19%	960	(124)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Expenses not deductible for tax purposes	815	1,493
Income not taxable	(154)	(1,145)
Adjustments in respect of prior years	(218)	744
Tax rate changes	784	-
Effect of overseas tax rates	1,866	78
Double taxation relief	(2,278)	(409)
Effects of group relief/other reliefs	22	-
Adjustments in respect of revaluations	95	-
Taxation	1,892	637

10. Tax on profit/(loss) (continued)

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

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

11. Intangible assets

	Goodwill £'000	Negative Goodwill £'000	Development Costs £'000s
Cost	25,861	-	416
Accumulated amortisation	(16,977)	-	(291)
Net book value	8,884	-	125
Year ended 30 April 2022			
Opening net book amount	8,884	-	125
Acquisitions	-	(6,787)	-
Amortisation	(2,584)	444	-
Closing net book amount	6,300	(6,343)	125
At 30 April 2022			
Cost	25,861	(6,787)	416
Accumulated amortisation	(19,561)	444	(291)
Net book amount	6,300	(6,343)	125

Amortisation of intangible assets is included within administrative expenses in the consolidated statement of profit and loss.

During the year the Company completed the acquisition of VTG's deep sea activities through a trade and assets deal which generated negative goodwill of £6,787,000.

During the year a subsidiary of the group, Suttons International Limited, completed the acquisition of VTG's deep sea activities through a trade and assets deal which generated the negative goodwill balance.

The Company had no intangible assets at 30 April 2022 or 30 April 2021.

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

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

11. Intangible fixed assets (continued)

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

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

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

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

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

Thomas Cradley Group Holdings Limited
Notes to the consolidated financial statements
30 April 2022

12. Tangible assets

	2022 £'000	2021 £'000
Freehold Land and Buildings - cost	5,746	5,914
Less: Accumulated depreciation	(3,208)	(3,060)
	2,538	2,854
Plant and equipment - cost	8,874	8,325
Less: Accumulated depreciation	(5,659)	(6,340)
	3,215	1,985
Fixtures and fittings - cost	1,674	1,636
Less: Accumulated depreciation	(1,167)	(1,081)
	507	555
Cars, tanks,trailers and tractor units - cost	179,007	165,763
Less: Accumulated depreciation	(80,785)	(72,757)
	98,222	93,006
	104,482	98,400

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

	Freehold land and buildings £'000	Plant and Equipment £'000	Fixtures and fittings £'000	Cars, tanks, trailers and tractor units £'000	Total £'000
Balance at 1 May 2020	3,051	1,717	585	91,587	96,940
Additions	86	1,222	108	15,747	17,163
Disposals	(107)	(383)	-	(2,596)	(3,086)
Depreciation expense	(177)	(570)	(147)	(11,723)	(12,617)
Balance at 30 April 2021	2,853	1,986	546	93,015	98,400
Additions	201	2,545	60	19,260	22,066
Disposals	(331)	(398)	(1)	(1,146)	(1,876)
Depreciation expense	(185)	(918)	(98)	(12,907)	(14,108)
Balance at 30 April 2022	2,538	3,215	507	98,222	104,482

Tangible assets secured under finance leases
The net book value of assets (vehicles, tanks and containers) held under finance lease or hire purchase contracts, included above, are as follows:

Included in additions of cars, tanks, trailers and tractor units are assets valued at £10,991,725, acquired from VTG Tanktainer as part of the acquisition of its international deepsea trade and assets. The purchase of these assets is shown in intangible assets.as part of the business combination, rather than purchase of fixed assets, in the cash flow statement.

12. Tangible fixed assets (continued)

	2022 £'000	2021 £'000
Net book value	63,842	58,128
Depreciation charge for the year ended 30 April	5,645	6,586

The Company had no tangible assets in the year ended 30 April 2022 (2021: nil).

13. Investments

The subsidiaries of the Company are disclosed in note 33.

14. Investment properties

Reconciliation
Reconciliation of the investment property balance at the beginning and end of the current and previous financial year are set out below:

	2022 £'000	2021 £'000
Opening balance	2,555	1,716
Additions	737	-
Disposals	-	-
Net gain from fair value adjustment	-	839
Closing balance	3,292	2,555

The historic cost of the investment properties at the Balance Sheet date was £1,052,583 (2021: £315,855).

During the year there were no additions to investment properties from business combinations, transfers to or from tangible fixed assets or inventories.

As at 30 April 2022 there were no obligations to purchase, construct or develop investment property.

As at 30 April 2022 there were no restrictions on the realisability of investment property or the remittance and proceeds of any disposal.

Valuations of investment properties
Investment property comprises commercial properties. The fair value of the investment property has been arrived at on the basis on the valuation carried out in March 2021 by Jones Land LaSalle Chartered Surveyors, who are not connected with the Company. The valuation was made on an open market value basis by reference to the market evidence of transaction prices for similar properties. On the basis of where the investment properties are situated, the directors do not consider that there has been any material change in this valuation as at 30 April 2022.

15. Stocks

	2022 £'000	2021 £'000
Raw materials and consumables	950	689

The difference between purchase price or production cost of stocks and their replacement cost is not material. In both the current and prior year there was no provision for impairment relating to stock.

Stock recognised in cost of sales during the year as an expense was £20,200k (2021: £13,456k).

16. Debtors

	2022 £'000	* Restated 2021 £'000
Trade debtors	51,665	36,694
Other debtors	815	717
Prepayments and accrued income	24,398	10,094
Corporation tax recoverable	322	220
Deferred Tax Asset	4,615	2,259
	81,815	49,984

Deferred tax assets are offset where the group has a legally enforceable right to do so and comprises of:

	£'000
Fixed asset timing differences	646
Short term timing differences	138
Losses	3,823
Research and development expenditure	8
	4,615

*A number of balances at 30 April 2021 were reclassified within debtors there was no adjustment to profit and loss as a result of these changes which are detailed in note 28.

17. Cash at bank and in hand

	2022 £'000	2021 £'000
Cash at bank	18,121	24,221

Reconciliation to cash and cash equivalents at the end of the financial year
The above figures are reconciled to cash and cash equivalents at the end of the financial year as shown in the statement of cash flows as follows:

	2022	2021
Balances as above	18,121	24,221
Bank overdraft and revolving finance facility (note 18)	(35,429)	(34,968)
Balance as per statement of cash flows	(17,308)	(10,747)

18. Creditors: amounts falling due within one year

				Parent
		Restated		
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Trade creditors	5,136	11,720	-	-
Amounts due to group undertakings	-	-	-	31
Other taxation and social security	4,005	2,867	-	-
Other creditors	22	162	-	-
Provision for income tax	1,323	1,527	-	-
Accruals and deferred income	44,972	21,706	40	12
Bank overdraft and revolving finance facility	35,429	34,968	-	-
Net obligations under finance lease and hire purchase contracts	15,086	15,256	-	-
	105,973	88,206	40	43

A number of balances at 30 April 2021 were reclassified within creditors: amounts falling due within one year and provisions and liabilities there was no adjustment to profit and loss as a result of these changes which are detailed in note 28.

Net obligations under finance lease and hire purchase contracts are secured on the assets to which they relate.

The group has a net sterling bank overdraft facility with a limit of £7,000,000 (2021: £7,000,000) which is repayable upon demand. Interest is charged monthly, calculated at 2.0% over the Bank of England base rate.. At April 2022, the group net overdraft balance was £5,696k (2021: £3,128k). The Company and its subsidiaries as borrowers under the facility provide a cross guarantee for all liabilities under the facility.

The group's revolving finance facility has a limit of £22,000,000 (2021: £18,000,000) which is repayable upon demand. Interest is charged monthly, calculated at 1.65% over the Bank of England base rate. At April 2022, the group revolving finance facility balance was £19,432k (2021: £17,083k The Company and its subsidiaries as borrowers under the facility provide a cross guarantee for all liabilities under the facility.

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

	2022	2021
	£'000	£'000
Net obligations under finance leases and hire purchase agreements	37,195	39,397

Net obligations under finance lease and hire purchase agreements are secured on the assets to which they relate.

20. Movement in net obligations under finance lease and hire purchase

	£'000
Opening balance	54,653
Additions	13,026
Repayment of capital	(16,826)
Interest accrued	1,859
Interest paid	(431)
	52,281
Amounts falling due in less than one year	15,086
Amounts falling due in more than one year	37,195
	52,281

21. Provisions and liabilities

	2022 £'000	*Restated 2021 £'000
Deferred tax liability	8,259	5,839
Lease tank off-hire provision	6,288	2,675
	14,547	8,514

The deferred tax liability set out below is expected to reverse within 4 years and relates to accelerated capital allowances that are expected to mature within the same period.

Movement in lease tank off-hire provision	£'000
Opening balance	2,675
Additional provision related to VTG acquisition – see note	3,150
Movement in provision	463
Closing balance	6,288

The tank off-hire provision at 30 April 2021 was reclassified from within creditors: amounts falling due within one year this change is detailed in note 28.

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

22. Share capital

Allotted	2022 Shares	2021 Shares	2022 £'000	2021 £'000
Ordinary A shares £1.00 each - fully paid	25,650	25,650	26	26
Ordinary B shares £1.00 each - fully paid	2,175	2,175	2	2
Ordinary C shares £1.00 each - fully paid	2,175	2,175	2	2
	30,000	30,000	30	30

Called up	2022 Shares	2021 Shares	2022 £'000	Parent 2021 £'000
Ordinary A shares £1.00 each - fully paid	25,650	25,650	26	26
Ordinary B shares £1.00 each - fully paid	2,175	2,175	2	2
Ordinary C shares £1.00 each - fully paid	2,175	2,175	2	2
	30,000	30,000	30	30

Ordinary A Class shares
A Ordinary shares entitle the holder to participate in dividends The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital. They do entitle the holder to the proceeds on the winding up of the Company being the share subscription price and then participate in the balance of the assets of the rate that is half the amount received by the holders of C ordinary shares.

Ordinary B class shares
B class shares entitle the holder to participate in dividends at a rate twice the entitlement of an A ordinary share, on a distribution of winding up, each holder of B ordinary shares is entitled to receive its subscription price of the share only.

22. Share capital (continued)

Ordinary C class shares
C class shares do not entitle the holder to participate in dividends. They do entitle the holder to the proceeds on the winding up of the Company being the share subscription price and then participate in the balance of the assets of the rate that is twice the amount received by the holders of A ordinary shares.

No shares have been issued during year, the comparative information above reflects the equity position of the Thomas Cradley Holdings Limited group, which was the ultimate holding company in the prior year. This is consistent with the principles of merger accounting which are explained in the accounting policies.

23. *Revaluation reserve*

The revaluation reserve is the cumulative revaluation gains and losses in respect of land and buildings, except realised revaluation gains and losses which are recognised in profit or loss.

24. Retained earnings / (accumulated losses)

The retained earnings and (accumulated losses contain all current and prior year retained profits and losses.

25. Non-controlling interest

	2022 £'000	2021 £'000
Accumulated losses	(174)	(240)

26. Dividends

Dividends declared during the financial year were as follows:

	2022 £'000	2021 £'000
Interim dividend	250	-

During the year, dividends of £8.33 per Ordinary A share and £16.66 per Ordinary B share were paid totalling £250,000 (2021: £nil).

The directors have considered their fiduciary duties in advance of proposing dividends. The directors are considering a more formal process to ensure that the company remains in a positive reserves position going forward.

27. Financial instruments

The group has the following financial instruments

	2022 £'000	2021 £'000
Financial assets that are debt instruments are measured at amortised cost		
- Trade debtors	51,665	36,694
- Other debtors	815	233
	52,480	36,927
Financial assets that are debt instruments held at fair value		
- Currency hedging contracts	-	484
	-	484

27. Financial instruments (continued)

Financial liabilities measured at amortised cost		
- Trade creditors	(5,136)	(11,720)
- Other creditors	(22)	(162)
- Bank overdraft and revolving finance facility	(35,429)	(34,968)
- Net obligations under finance lease and hire purchase agreements	(52,281)	(54,653)
	(92,868)	(101,503)
Financial liabilities measured at fair value		
- *Currency hedging contracts*		
	(792)	(101,503

Financial assets held as debt instruments and financial liabilities valued at fair value are currency hedging contracts, the asset or liability is the value of those instruments at spot market exchange rates at the end of the financial year.

The group enters into foreign currency contracts to mitigate the exchange rate risk for US$ denominated income as at 30 April 2022, the outstanding contracts all mature within 13 months of the year end.

The group is committed to sell US$15,100,000 under forward contracts and has options to sell a further US$7,200,000. It also holds options to buy US$7,200,000.

28. Restated prior year balances

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

The following balances were previously included on the face of the balance sheet, but have now been included within 'creditors: amounts falling due within one year', as referenced in note 18:
- Borrowings: amounts falling due within one year
- Income tax
- Accruals and deferred income

Previously the dehire provision was included within Accruals and deferred income, this has now been reflected as a 'provision', as referenced in note 21.

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

29. Auditors' remuneration

During the financial year the following fees were paid or payable for services provided by PricewaterhouseCoopers LLP, the auditors of the Company, and its associates:

	2022 £'000	2021 £'000
Audit services		
Audit of the Company's financial statements	11	32
Audit of the Company's subsidiaries	411	270
	422	302
Other services		
Non-audit services	298	93
	720	395

30. Commitments

	2022 £'000	2021 £'000
Capital commitments		
Committed at the reporting date but not recognised as liabilities, payable:		
Tangible assets	14,974	6,271
Lease commitments - operating		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	4,325	3,057
One to five years	8,675	3,882
More than five years	1,160	1,789
	14,160	8,728
Lease commitments - finance		
Committed at the reporting date and recognised as liabilities, payable:		
Within one year	16,467	16,452
One to five years	38,091	37,854
More than five years	1,003	3,044
Total commitment	55,561	57,350
Less: Future finance charges	(3,280)	(2,697)
Net commitment recognised as liabilities	52,281	54,653
Representing:		
Net obligations under finance lease and hire purchase contracts - current (note 18)	15,086	15,256
Net obligations under finance leases and hire purchase agreements - non-current (note 19)	37,195	39,397
	52,281	54,653

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

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

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

31. Related party transactions

Transactions with related parties
The following transactions occurred with related parties:

	2022 £'000	2021 £'000
Aggregate compensation of key management personnel	1,058	1,044

31. Related party transactions (Continued)

Receivable from and payable to related parties

	2022 £'000	2021 £'000
Opening balance	26	(269)
Expenses paid on behalf of directors and shareholders	216	167
Cash drawings	131	134
Amounts repaid	(489)	(6)
Shareholder loans outstanding at 30 April	(116)	26

Certain cash drawings and expenses are settled by the group on behalf of shareholders, some of whom are also directors. Those expenses are debited to shareholder loan accounts and are either settled from dividends paid or repaid by shareholders.

The loans are unsecured and interest free. No bad or doubtful debt recorded in respect of these loans during the year.

32. Financial commitments, guarantees and contingent liabilities

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

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

At 30 April 2022 the maximum potential liability was £19,431,537 (2021: £17,437,751)

33. Interests in subsidiaries

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

Name	Registered Office	Principal activity	Holding %
Project Properties Limited	Gorsey Lane, Widnes, Cheshire, WA8 0GG	Property Management	100%
Cradley Leasing Limited	Gorsey Lane, Widnes, Cheshire, WA8 0GG	Dormant	100%
Suttons Transport Group Limited	Gorsey Lane, Widnes, Cheshire, WA8 0GG	Road Haulage & International Freight Forwarding	100%
Sutton & Son (St Helens) Limited	Gorsey Lane, Widnes, Cheshire, WA8 0GG	Provision of bulk logistics services	100%
Suttons Tankers Limited	Gorsey Lane, Widnes, Cheshire, WA8 0GG	Road Haulage	100%
Imperial Tankers Limited	Gorsey Lane, Widnes, Cheshire, WA8 0GG	Dormant	100%
Suttons International Limited	Gorsey Lane, Widnes, Cheshire, WA8 0GG	Provision of bulk logistics services	100%
Suttons International N.V. (Belgium)	North Trading Building, Noorderlaan, Antwerp, Belgium B 2030	Shipping and forwarding agents	100%
Suttons International (NA) INC	Bell Works Building 4, Floor 2, Suite 200, 101 Crawford Corner Road, Holmdel, New Jersey 07733 USA	Shipping and forwarding agents	100%

33. Interests in subsidiaries (continued)

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

Name	Registered Office	Principal activity	Holding %
Suttons International GMBH	Speyerer Str. 56b, 67227, Frankenthal, Ludwigshafen, Germany	Shipping and forwarding agents	100%
Suttons International (Japan) KK	Room 203, Saito Bldg, 14-6 Kyobushi 3-chrome, Chuo-ku, Tokyo, Japan 104-003	Shipping and forwarding agents	51%
Suttons International PTE Ltd	456 Alexandria Road, 24-03 Fragrance Empire Building, Singapore 119962	Shipping and forwarding agents	100%
Suttons Tank Container Cleaning (Shanghai Ltd)	Unit D, 16th Floor Long Life Mansion, 1566 Yan An West Road, Shanghai 200052, China	Depot services	100%
Suttons International Freight Forwarding (Shanghai) Ltd	Unit D, 16th Floor Long Life Mansion, 1566 Yan An West Road, Shanghai 200052, China	Shipping and forwarding agents	100%
Hanchi Logistics Ltd	Unit D, 16th Floor Long Life Mansion, 1566 Yan An West Road, Shanghai 200052, China	Road Haulage	100%
Suttons Missionline Do Brasil LTDA	Avenida Rudolf Dafferner, 400, Sala 209 Bloco Sao Paulo, Boa Vista, Sorocaba - SP, 18085-005	Shipping and forwarding agents	51%
Thomas Cradley Holdings Limited	Gorsey Lane, Widnes, Cheshire, WA8 0GG	Holding Company	100%

All of the above subsidiaries are included in the consolidation. Thomas Cradley Holdings Limited and Thomas Cradley Property Limited are owned directly by the holding company, all other investments are indirect ownership.

During the year a subsidiary of the group, Suttons International Limited, acquired a 51% holding of Suttons Missionline Do Brasil LTDA ('Brazilian entity') as part of the VTG acquisition. The group accounts for the Brazilian entity as a subsidiary by virtue of its control over the entity.

The following subsidiaries are exempt from audit by virtue of S479A of the Companies Act 2006:

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

Imperial Tankers Limited is a dormant company and exempt from audit under 480 of the Companies Act 2006.

34. Events after the reporting period

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

35. Contingent liabilities

The group had no contingent liabilities at the 30 April 2022 (2021 Nil).

36. Ultimate parent undertaking and controlling party

The Company is owned by a series of trusts, with no single trust having a controlling interest. Members of the Sutton and Broadhurst families have beneficial interests through the trusts but not one family member has a controlling interest.

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