

**GROUP STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020
FOR
JAMES NUTTALL (HOLDINGS) LIMITED**



**CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Page
Company Information	1
Group Strategic Report	2
Report of the Directors	3
Report of the Independent Auditors	4
Consolidated Income Statement	8
Consolidated Balance Sheet	9
Company Balance Sheet	10
Consolidated Statement of Changes in Equity	11
Company Statement of Changes in Equity	12
Consolidated Cash Flow Statement	13
Notes to the Consolidated Cash Flow Statement	14
Notes to the Consolidated Financial Statements	15

JAMES NUTTALL (HOLDINGS) LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2020**

DIRECTORS:

J R H Nuttall
Ms C J Nuttall

REGISTERED OFFICE:

Royle Barn Road
Castleton
Rochdale
OL11 3DT

REGISTERED NUMBER:

11020584 (England and Wales)

AUDITORS:

Wyatt, Morris, Golland Ltd
Statutory Auditors
Park House
200 Drake Street
Rochdale
Lancashire
OL16 1PJ

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

The directors present their strategic report of the company and the group for the year ended 31 December 2020.

The group comprises of a transport and haulage company and VOSA testing station. The holding company acquired 100% of the share capital of James Nuttall (Transport) Limited on a share for share exchange on 18/10/17. James Nuttall (Transport) Limited wholly owns the share capital of Queensway Commercials Limited.

REVIEW OF BUSINESS

The results for the year and financial position of the group are as shown in the annexed financial statements.

The group has performed satisfactorily during the year considering challenges relating to the Covid - 19 Pandemic and particularly the first lockdown when many of our customers closed temporarily.

Recovery was steady although volumes are yet to fully recover. We expect 2021 to give a better picture of careful recovery.

The group's gross profit margins have decreased slightly to 15.8% compared to 18.1% in 2019. The decrease reflects unproductive labour within cost of sales due to levels of staff being placed on furlough and continued pressure in sales pricing.

Additional warehouse activities continue to support the transport operation.

The Vosa testing centre in the Queensway Commercials Limited subsidiary has performed satisfactorily but turnover and growth is restricted due to Covid - 19 restriction imposed and then subsequently a lack of testers available. The testing lanes are fully booked well in advance and the current level of demand is expected to continue.

Other key performance indicators such as debtor and creditor days have remained reasonably consistent with minor variances arising from timing differences due to normal business trading.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties affecting the group following the year end is the continued impact of Covid 19.

The haulage industry continues to consolidate, larger entities are taking control of more contract business. Smaller and medium sized sub-contractors are under pressure to work on these contracts with reduced revenues.

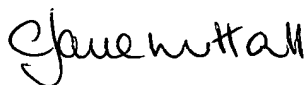
Fuel prices, increased insurance costs and European pressure on commercial equipment costs continue to remain a challenge.

With a lack of drivers coming into the industry new incentives to enter hands-on and vocational careers should be positive for the road transport industry.

Demand continues for good family owned haulage companies who can mobilise quickly. We continue to be optimistic for the future.

Although these factors pose a risk to ongoing performance, the company has a strong asset base and the directors therefore consider that it is well placed to manage any such risks.

ON BEHALF OF THE BOARD:



Ms C J Nuttall - Director

21 April 2021

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2020**

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2020.

DIVIDENDS

An interim dividend of £2.667 per ordinary D share and per ordinary E share was paid on 9 July 2020. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31 December 2020 amounted to £80,000.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2020 to the date of this report.

J R H Nuttall
Ms C J Nuttall

Other changes in directors holding office are as follows:

J Nuttall - deceased 27 March 2020
Mrs C J Nuttall - deceased 9 January 2020

The directors had the following beneficial interests in the share capital of the company:

Ms. C. J. Nuttall - 33.33%
J. R. H. Nuttall - 33.33%

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

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

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

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

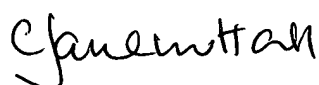
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS

The auditors, Wyatt, Morris, Golland Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



Ms C J Nuttall - Director

21 April 2021

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF JAMES NUTTALL (HOLDINGS) LIMITED

Opinion

We have audited the financial statements of James Nuttall (Holdings) Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 31 December 2020 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
JAMES NUTTALL (HOLDINGS) LIMITED**

Responsibilities of directors

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

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
JAMES NUTTALL (HOLDINGS) LIMITED**

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 a Report of the Auditors 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:

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;

- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the haulage, warehousing and VOSA testing sector;

- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006 and taxation legislation and

- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence where necessary.

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

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud and

- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

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

- performed analytical procedures to identify any unusual or unexpected relationships;

- tested journal entries to identify unusual transactions;

- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and

- investigated the rationale behind significant or unusual transactions.

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

- agreeing financial statement disclosures to underlying supporting documentation;

- enquiring of management as to actual and potential litigation and claims; and

- reviewing correspondence with HMRC.

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

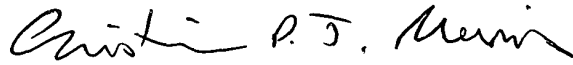
Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
JAMES NUTTALL (HOLDINGS) LIMITED**

Use of our report

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



Christian Morris Bsc ACA (Senior Statutory Auditor)
for and on behalf of Wyatt, Morris, Golland Ltd
Statutory Auditors
Park House
200 Drake Street
Rochdale
Lancashire
OL16 1PJ

21 April 2021

**CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020**


	Notes	2020 £	2019 £
TURNOVER		6,760,190	7,465,817
Cost of sales		<u>5,695,580</u>	<u>6,114,342</u>
GROSS PROFIT		1,064,610	1,351,475
Administrative expenses		<u>725,710</u>	<u>790,003</u>
		338,900	561,472
Other operating income		<u>121,935</u>	<u>5,651</u>
OPERATING PROFIT	4	460,835	567,123
Income from fixed asset investments		<u>580</u>	<u>160</u>
		461,415	567,283
Gain/loss on revaluation of investments		<u>207,557</u>	<u>516,509</u>
		668,972	1,083,792
Interest payable and similar expenses	5	<u>54,512</u>	<u>43,792</u>
PROFIT BEFORE TAXATION		614,460	1,040,000
Tax on profit	6	<u>117,197</u>	<u>197,941</u>
PROFIT FOR THE FINANCIAL YEAR		<u>497,263</u>	<u>842,059</u>

The notes form part of these financial statements

CONSOLIDATED BALANCE SHEET
31 DECEMBER 2020

	Notes	2020	2019
		£	£
FIXED ASSETS			
Tangible assets	9	3,276,959	3,397,839
Investments	10	3,027,433	2,819,876
		<u>6,304,392</u>	<u>6,217,715</u>
CURRENT ASSETS			
Stocks	11	45,619	38,723
Debtors	12	1,615,004	2,404,229
Cash at bank and in hand		1,179,394	870,263
		<u>2,840,017</u>	<u>3,313,215</u>
CREDITORS			
Amounts falling due within one year	13	1,693,525	1,943,799
NET CURRENT ASSETS		<u>1,146,492</u>	<u>1,369,416</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>7,450,884</u>	<u>7,587,131</u>
CREDITORS			
Amounts falling due after more than one year	14	(1,048,403)	(1,641,719)
PROVISIONS FOR LIABILITIES	17	(406,557)	(366,751)
NET ASSETS		<u><u>5,995,924</u></u>	<u><u>5,578,661</u></u>
CAPITAL AND RESERVES			
Called up share capital	18	100,000	100,000
Retained earnings	19	5,895,924	5,478,661
		<u><u>5,995,924</u></u>	<u><u>5,578,661</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 21 April 2021 and were signed on its behalf by:



Ms C J Nuttall - Director

COMPANY BALANCE SHEET
31 DECEMBER 2020

	Notes	2020 £	2019 £
FIXED ASSETS			
Tangible assets	9	-	-
Investments	10	100,000	100,000
		<u>100,000</u>	<u>100,000</u>
CURRENT ASSETS			
Debtors	12	331,520	331,520
NET CURRENT ASSETS		<u>331,520</u>	<u>331,520</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>431,520</u>	<u>431,520</u>
CAPITAL AND RESERVES			
Called up share capital	18	100,000	100,000
Retained earnings	19	331,520	331,520
		<u>431,520</u>	<u>431,520</u>
Company's profit for the financial year		<u>80,000</u>	<u>302,613</u>

The financial statements were approved by the Board of Directors and authorised for issue on 21 April 2021 and were signed on its behalf by:



Ms C J Nuttall - Director

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2019	100,000	4,727,386	4,827,386
Changes in equity			
Dividends	-	(90,784)	(90,784)
Total comprehensive income	-	842,059	842,059
Balance at 31 December 2019	<u>100,000</u>	<u>5,478,661</u>	<u>5,578,661</u>
Changes in equity			
Dividends	-	(80,000)	(80,000)
Total comprehensive income	-	497,263	497,263
Balance at 31 December 2020	<u>100,000</u>	<u>5,895,924</u>	<u>5,995,924</u>

The notes form part of these financial statements

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2019	100,000	119,691	219,691
Changes in equity			
Dividends	-	(90,784)	(90,784)
Total comprehensive income	-	302,613	302,613
Balance at 31 December 2019	<u>100,000</u>	<u>331,520</u>	<u>431,520</u>
Changes in equity			
Dividends	-	(80,000)	(80,000)
Total comprehensive income	-	80,000	80,000
Balance at 31 December 2020	<u>100,000</u>	<u>331,520</u>	<u>431,520</u>

The notes form part of these financial statements

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes	2020 £	2019 £
Cash flows from operating activities			
Cash generated from operations	1	1,939,098	333,217
Interest element of hire purchase payments paid		(54,512)	(43,792)
Tax paid		(62,594)	(68,916)
Net cash from operating activities		1,821,992	220,509
Cash flows from investing activities			
Purchase of tangible fixed assets		(650,944)	(560,266)
Sale of tangible fixed assets		30,900	50,000
Dividends received		580	160
Net cash from investing activities		(619,464)	(510,106)
Cash flows from financing activities			
Capital repayments in year		(732,875)	433,107
Amount introduced by directors		49,580	90,784
Amount withdrawn by directors		(130,102)	(79,906)
Equity dividends paid		(80,000)	(90,784)
Net cash from financing activities		(893,397)	353,201
Increase in cash and cash equivalents		309,131	63,604
Cash and cash equivalents at beginning of year	2	870,263	806,659
Cash and cash equivalents at end of year	2	1,179,394	870,263

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2020	2019
	£	£
Profit before taxation	614,460	1,040,000
Depreciation charges	769,944	699,672
Profit on disposal of fixed assets	(29,020)	(49,988)
Gain on revaluation of fixed assets	(207,557)	(516,509)
Finance costs	54,512	43,792
Finance income	(580)	(160)
	<u>1,201,759</u>	<u>1,216,807</u>
Increase in stocks	(6,896)	(27,842)
Decrease/(increase) in trade and other debtors	789,225	(1,073,412)
(Decrease)/increase in trade and other creditors	<u>(44,990)</u>	<u>217,664</u>
Cash generated from operations	<u><u>1,939,098</u></u>	<u><u>333,217</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 December 2020

	31.12.20	1.1.20
	£	£
Cash and cash equivalents	<u>1,179,394</u>	<u>870,263</u>

Year ended 31 December 2019

	31.12.19	1.1.19
	£	£
Cash and cash equivalents	<u>870,263</u>	<u>806,659</u>

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.1.20	Cash flow	At 31.12.20
	£	£	£
Net cash			
Cash at bank and in hand	870,263	309,131	1,179,394
	<u>870,263</u>	<u>309,131</u>	<u>1,179,394</u>
Debt			
Finance leases	(2,374,594)	732,875	(1,641,719)
	<u>(2,374,594)</u>	<u>732,875</u>	<u>(1,641,719)</u>
Total	<u><u>(1,504,331)</u></u>	<u><u>1,042,006</u></u>	<u><u>(462,325)</u></u>

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

1. STATUTORY INFORMATION

James Nuttall (Holdings) Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	- not provided
Improvements to property	- 10% on cost
Plant and machinery	- 10% on cost and at varying rates on cost
Fixtures and fittings	- 20% on cost and 10% on cost

Commercial vehicles are written off over the first five years of their working lives. No depreciation is charged on commercial vehicles if the vehicle has not been brought into operation at the year end.

Improvements to short leasehold premises are written off over their expected useful lives up to a maximum of 10 years.

No depreciation is charged on the freehold premises as the company policy is to maintain the asset in a continual state of sound repair. Accordingly the directors consider that the useful life of the asset is so long and the residual value so high that any depreciation charge would be insignificant within the context of these accounts.

At each balance sheet date, the Company reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that any items of property, plant and equipment have suffered an impairment loss. If any such indication exists, the recoverable amount of an 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 the assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount and would have been determined (net of depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

Government grants covid-19

Government grants are recognised when there is reasonable assurance that the company will comply with the conditions attaching to the grant and the grant will be received.

Following the outbreak of the Covid-19 Pandemic the group furloughed members of staff and took advantage of the government job retention scheme. Grant income is accrued for in the period matching the period the wages were due for.

Stocks

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

2. ACCOUNTING POLICIES - continued

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

Fixed asset investments

Listed fixed asset investments are valued at market value as at the balance sheet date. Unrealised gains or losses are posted to the income statement for the year. Deferred tax is provided on any unrealised gains or losses.

Unlisted fixed asset investments are stated at cost as the market values are not readily ascertainable.

3. EMPLOYEES AND DIRECTORS

	2020	2019
	£	£
Wages and salaries	2,197,509	2,288,117
Social security costs	193,339	192,200
Other pension costs	45,005	41,854
	<u>2,435,853</u>	<u>2,522,171</u>

The average number of employees during the year was as follows:

	2020	2019
Administration	8	7
Traffic control	4	6
Distribution	56	54
Workshop	5	6
	<u>73</u>	<u>73</u>

The average number of employees by undertakings that were proportionately consolidated during the year was 73 (2019 - 73).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

3. EMPLOYEES AND DIRECTORS - continued

	2020	2019
	£	£
Directors' remuneration	72,499	72,499
Directors' pension contributions to money purchase schemes	<u>5,424</u>	<u>4,010</u>

4. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2020	2019
	£	£
Hire of plant and machinery	26,713	26,582
Depreciation - owned assets	235,072	121,027
Depreciation - assets on hire purchase contracts	534,872	578,645
Profit on disposal of fixed assets	(29,020)	(49,988)
Auditors' remuneration	12,380	12,100
Auditors' remuneration for non audit work	9,849	18,921
Operating lease payments	<u>186,947</u>	<u>166,576</u>

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	2020	2019
	£	£
Hire purchase	<u>54,512</u>	<u>43,792</u>

6. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2020	2019
	£	£
Current tax:		
UK corporation tax	77,391	62,594
Deferred tax	<u>39,806</u>	<u>135,347</u>
Tax on profit	<u>117,197</u>	<u>197,941</u>

UK corporation tax was charged at 19% in 2019.

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2020	2019
	£	£
Profit before tax	<u>614,460</u>	<u>1,040,000</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	116,747	197,600
Effects of:		
Permanently disallowed expenses	404	213
Depreciation on non qualifying assets	156	159
Franked investment income	(110)	(31)
Total tax charge	<u>117,197</u>	<u>197,941</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

7. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

8. DIVIDENDS

The company paid dividends amounting to £80,000 during the year.

9. TANGIBLE FIXED ASSETS

Group	Freehold property £	Improvements to property £	Plant and machinery £	Fixtures and fittings £	Totals £
COST					
At 1 January 2020	661,550	260,215	909,961	6,031,500	7,863,226
Additions	-	-	48,139	602,805	650,944
Disposals	-	-	-	(174,004)	(174,004)
At 31 December 2020	661,550	260,215	958,100	6,460,301	8,340,166
DEPRECIATION					
At 1 January 2020	-	213,167	665,058	3,587,162	4,465,387
Charge for year	-	813	60,805	708,326	769,944
Eliminated on disposal	-	-	-	(172,124)	(172,124)
At 31 December 2020	-	213,980	725,863	4,123,364	5,063,207
NET BOOK VALUE					
At 31 December 2020	661,550	46,235	232,237	2,336,937	3,276,959
At 31 December 2019	661,550	47,048	244,903	2,444,338	3,397,839

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Fixtures and fittings £
COST	
At 1 January 2020	3,452,253
Additions	602,130
Transfer to ownership	(797,000)
At 31 December 2020	3,257,383
DEPRECIATION	
At 1 January 2020	1,072,866
Charge for year	534,872
Transfer to ownership	(411,900)
At 31 December 2020	1,195,838
NET BOOK VALUE	
At 31 December 2020	2,061,545
At 31 December 2019	2,379,387

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

10. FIXED ASSET INVESTMENTS

Group

	Listed investments £	Unlisted investments £	Totals £
COST OR VALUATION			
At 1 January 2020	2,786,756	33,120	2,819,876
Revaluations	207,557	-	207,557
	<u>2,994,313</u>	<u>33,120</u>	<u>3,027,433</u>
At 31 December 2020			
	<u>2,994,313</u>	<u>33,120</u>	<u>3,027,433</u>
NET BOOK VALUE			
At 31 December 2020	<u>2,994,313</u>	<u>33,120</u>	<u>3,027,433</u>
At 31 December 2019	<u>2,786,756</u>	<u>33,120</u>	<u>2,819,876</u>

Cost or valuation at 31 December 2020 is represented by:

	Listed investments £	Unlisted investments £	Totals £
Valuation in 2020	744,313	-	744,313
Cost	2,250,000	33,120	2,283,120
	<u>2,994,313</u>	<u>33,120</u>	<u>3,027,433</u>

Company

	Shares in group undertakings £
COST	
At 1 January 2020 and 31 December 2020	<u>100,000</u>
NET BOOK VALUE	
At 31 December 2020	<u>100,000</u>
At 31 December 2019	<u>100,000</u>

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries**James Nuttall Transport Limited**

Registered office: Royle Barn Road, Castleton, Rochdale, Lancashire, OL11 3DT

Nature of business: Haulage and transport

	% holding	2020 £	2019 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		5,585,939	5,168,972
Profit for the year		<u>496,967</u>	<u>802,900</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

10. FIXED ASSET INVESTMENTS - continued

Queensway Commercials Limited

Registered office: Royle Barn Road, Castleton, Rochdale, Lancashire, OL11 3DT

Nature of business: VOSA testing station

	% holding	2020	2019
Class of shares:		£	£
Ordinary	100.00	88,465	88,169
Aggregate capital and reserves		296	39,159
Profit for the year			

James Nuttall (Developments) Limited

Registered office: Royle Barn Road, Castleton, Rochdale, Lancashire, OL11 3DT

Nature of business: Warehouse and storage facilities

	% holding	2020	2019
Class of shares:		£	£
Ordinary	100.00	100	100
Aggregate capital and reserves			

11. STOCKS

	Group	2019
	2020	£
Stocks	45,619	38,723

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group	Company
	2020	2019
	£	£
Trade debtors	1,279,454	1,414,269
Other debtors	-	602,130
Amounts owed by group undertakings	-	-
Prepayments	335,550	387,830
	1,615,004	2,404,229

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group	2019
	2020	£
	£	£
Hire purchase contracts (see note 15)	593,316	732,875
Trade creditors	409,340	646,942
Corporation tax	77,391	62,594
Social security and other taxes	66,442	62,501
VAT	223,174	35,021
Directors' current accounts	126,366	206,888
Accrued expenses	197,496	196,978
	1,693,525	1,943,799

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group	
	2020	2019
	£	£
Hire purchase contracts (see note 15)	<u>1,048,403</u>	<u>1,641,719</u>

15. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group	Hire purchase contracts	
	2020	2019
	£	£
Gross obligations repayable:		
Within one year	637,020	787,195
Between one and five years	<u>1,126,376</u>	<u>1,763,396</u>
	<u>1,763,396</u>	<u>2,550,591</u>
Finance charges repayable:		
Within one year	43,704	54,320
Between one and five years	<u>77,973</u>	<u>121,677</u>
	<u>121,677</u>	<u>175,997</u>
Net obligations repayable:		
Within one year	593,316	732,875
Between one and five years	<u>1,048,403</u>	<u>1,641,719</u>
	<u>1,641,719</u>	<u>2,374,594</u>

16. SECURED DEBTS

The following secured debts are included within creditors:

	Group	
	2020	2019
	£	£
Hire purchase contracts	<u>1,641,719</u>	<u>2,374,594</u>

The hire purchase creditors are secured on the assets to which they relate.

17. PROVISIONS FOR LIABILITIES

	Group	
	2020	2019
	£	£
Deferred tax	<u>406,557</u>	<u>366,751</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

17. PROVISIONS FOR LIABILITIES - continued

Group	Deferred tax £
Balance at 1 January 2020	366,751
Charge to Income Statement during year	39,806
	<hr/>
Balance at 31 December 2020	406,557
	<hr/>

18. CALLED UP SHARE CAPITAL

A Ordinary £1 shares	28,000
B Ordinary £1 shares	27,000
C Ordinary £1 shares	15,000
D Ordinary £1 shares	15,000
E Ordinary £1 shares	15,000
	<hr/>
	100,000
	<hr/>

19. RESERVES

Group	Retained earnings £
At 1 January 2020	5,478,661
Profit for the year	497,263
Dividends	(80,000)
	<hr/>
At 31 December 2020	5,895,924
	<hr/>

Company	Retained earnings £
At 1 January 2020	331,520
Profit for the year	80,000
Dividends	(80,000)
	<hr/>
At 31 December 2020	331,520
	<hr/>

Included in retained earnings is an amount of £744,313 which relates to unrealised gains on the revaluation of investments which are non-distributable. After providing for deferred taxation the total non-distributable retained earnings amounted to £602,894.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

20. OTHER FINANCIAL COMMITMENTS

The company had the following total commitments under operating leases:

	2020	2019
	£	£
Expiring within 1 year	24,824	12,392
Expiring 2 to 5 years	497,623	425,239
Expiring after 5 years	205,990	349,834
	<u>728,437</u>	<u>787,465</u>

21. RELATED PARTY DISCLOSURES

TRANSACTIONS WITH DIRECTORS

James Nuttall (Transport) Limited occupies a property in which Ms C.J. Nuttall and Mr J.R.H. Nuttall had a material interest and paid rent during the year of £75,000.

TRANSACTIONS WITH RELATED PARTIES

During the year the following dividends were paid to certain directors :-

J.R.H. N Nuttall £40,000
Ms C.J. Nuttall £40,000

22. ULTIMATE CONTROLLING PARTY

During the year the directors and their family had the ultimate control of the company as they own an interest in the entire issued share capital of James Nuttall (Holdings) Limited.