

Company registration number 00362763 (England and Wales)

# **JOHN TRUSWELL & SONS (GARAGE) LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31 JULY 2022**

## JOHN TRUSWELL & SONS (GARAGE) LIMITED

### COMPANY INFORMATION

---

**Director** Mr G T Darnell

**Company number** 00362763

**Registered office** Fall Bank Industrial Estate  
Dodworth  
Barnsley  
S75 3LS

**Auditor** MHA Moore and Smalley  
Richard House  
9 Winckley Square  
Preston  
PR1 3HP

---

# JOHN TRUSWELL & SONS (GARAGE) LIMITED

## CONTENTS

---

	<b>Page</b>
Strategic report	1 - 2
Director's report	3
Director's responsibilities statement	4
Independent auditor's report	5 - 7
Profit and loss account	8
Statement of comprehensive income	9
Balance sheet	10
Statement of changes in equity	11
Notes to the financial statements	12 - 28

---

# **JOHN TRUSWELL & SONS (GARAGE) LIMITED**

## **STRATEGIC REPORT**

### **FOR THE PERIOD ENDED 31 JULY 2022**

---

The director presents the strategic report for the period ended 31 July 2022.

#### **Review of the business**

The business was acquired by OTIF Distribution Limited in December 2021 and following this change it has continued to grow in terms of turnover and gross margin. Turnover for the 6 months to the end of December demonstrated that the business was maintaining a steady position when compared to the same period in the previous year. However turnover grew further up until 31 July 2022. The directors view is that whilst setting aside the 13 month trading period, turnover grew by 5.8% when compared to the same trading period in the previous year.

Despite the change of ownership it is encouraging that the business continued to perform well post completion. This is mainly due to continuity of the existing management team who were allowed to manage the business as a standalone operation whilst it integrated into the wider group. The directors felt that by providing continuity of management, maintenance of high performance levels and stability across the business, post completion, its customer base could be retained.

Turnover is higher than the previous year by £1,504,209 which is mainly due to the 13 month trading period being reported in these accounts however the business also saw a 5.31% increase as a result of organic growth from three of its main customers.

Cost of Sales has also fallen slightly enabling the business to boost its Gross Margin from 16.4% to 19.24% which was as a result of synergies generated as being part of a bigger group. This in turn led to an increase in Operating Profit of £134,870 over the previous year.

However these were offset by increased finance charges associated with the change of ownership and management fees from the group which the business was able to meet.

In terms of the Balance Sheet, the business continued to invest in replacement fleet, spending £457,358 in new trucks and trailers. To manage any bad debt potential exposure, the business continues to operate to average debtor days of 40 which it achieves through a strong and close working relationship with its customers.

Unfortunately there was a significant post year end event in the form of Kenyon Road Haulage Limited and Kenyon Warehousing Limited, which were both part of the same group as John Truswell, went into administration. Due to the financial disciplines that were operated by the group in terms of settlement of intercompany debts, the effect on John Truswell & Sons (Garage) Limited was minimal.

In summary the directors are satisfied with these results.

#### **Principal risks and uncertainties**

Worldwide escalation of fuel prices as a result of the conflict in Ukraine, has been a major risk to the business and whilst the directors have worked to offset this by working with sub-contractors to minimize the impact of fuel increases as much as possible, this risk has been ever present throughout 2022. John Truswell has never introduced a fuel surcharge across its entire customer base, preferring to incorporate current fuel prices in all the work it quotes for. Identifying this risk, the directors will be reviewing this situation during the second half of 2022 in preparation for the start of 2023. Clearly the basis of any surcharge calculation will be as recommended by the Road Haulage Association.

Further economic challenges include the risk of increasing interest rates which have risen during 2023. In anticipation of possible interest rate increases the Directors took steps including sensitivity analysis across all forecast to reflect various interest rate scenarios. Based on this and headroom created from Profits, the Directors are satisfied that the business can withstand interest rate increases over the next 12-18 months.

In addition to the above the business has seen other costs escalating including Electricity, Vehicle parts, Adblue and staff costs. All of these cannot be simply absorbed by the company and rather than simply passing on such increases to customers, the business is exploring ways where efficiencies can be realized.

## **JOHN TRUSWELL & SONS (GARAGE) LIMITED**

### **STRATEGIC REPORT (CONTINUED)**

**FOR THE PERIOD ENDED 31 JULY 2022**

---

#### **Development and performance**

It is anticipated that the challenging market conditions will continue through 2022 and beyond. During such period, the haulage industry is severely affected with prices being driven down as haulage providers compete for less and less business. However in recent years we have seen driver costs increase by over 20% on average and fuel prices by over 40%. The strategy for John Truswell will be to focus on what it is good at and continue to deliver service excellence to its customers.

If this means that turnover stagnates for a period and the business has to curtail its fleet strategy to save costs, if this means it can retain its customers that is the strategy this business will adopt.

Further investment in the fleet is part of future plans with replacement of the double deck trailer fleet and increases to the size of the 18T & 26T Truck fleet planned over the next few years.

New computer hardware in 2023 and moving all the office teams onto Microsoft 365 are also priorities. The Servers that currently support all company activities are nearing end of life and will be replaced or the business will switch over to the Cloud for its primary IT system and back up.

On behalf of the board

**Mr G T Darnell**  
**Director**

18 October 2023

## **JOHN TRUSWELL & SONS (GARAGE) LIMITED**

### **DIRECTOR'S REPORT**

#### **FOR THE PERIOD ENDED 31 JULY 2022**

---

The director presents his annual report and financial statements for the period ended 31 July 2022.

#### **Principal activities**

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

#### **Results and dividends**

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

Ordinary dividends were paid amounting to £226,040. The director does not recommend payment of a final dividend.

#### **Director**

The director who held office during the period and up to the date of signature of the financial statements was as follows:

Mr G T Darnell

Mr G H Hamer

Mr J Truswell

Mr I Truswell

(Resigned 14 July 2023)

(Resigned 21 December 2021)

(Resigned 21 December 2021)

#### **Auditor**

MHA Moore and Smalley were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006.

#### **Strategic report**

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

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

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

On behalf of the board

**Mr G T Darnell**

**Director**

18 October 2023

## **JOHN TRUSWELL & SONS (GARAGE) LIMITED**

### **DIRECTOR'S RESPONSIBILITIES STATEMENT**

**FOR THE PERIOD ENDED 31 JULY 2022**

---

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

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is 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 director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## JOHN TRUSWELL & SONS (GARAGE) LIMITED

### INDEPENDENT AUDITOR'S REPORT

#### TO THE MEMBER OF JOHN TRUSWELL & SONS (GARAGE) LIMITED

---

#### Opinion

We have audited the financial statements of John Truswell & Sons (Garage) Limited (the 'company') for the period ended 31 July 2022 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 company's affairs as at 31 July 2022 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

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

#### Conclusions relating to going concern

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

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

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

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The director is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



## **JOHN TRUSWELL & SONS (GARAGE) LIMITED**

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

#### **TO THE MEMBER OF JOHN TRUSWELL & SONS (GARAGE) LIMITED**

---

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

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

- the information given in the strategic report and the director's report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's report 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the director's report.

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

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

#### **Responsibilities of director**

As explained more fully in the director's responsibilities statement, the director is 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 director determines 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 director is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

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

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

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

- Enquiry of management around actual and potential litigation and claims.
- Enquiry of entity staff in compliance functions to identify any instances of non-compliance with laws and regulations.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations such as health & safety, employment law and operating licencing.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.
- Auditing the risk of fraud in revenue by tracing from deliveries to completeness of sales transactions in the accounting system.

## **JOHN TRUSWELL & SONS (GARAGE) LIMITED**

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

#### **TO THE MEMBER OF JOHN TRUSWELL & SONS (GARAGE) LIMITED**

---

Because of the field in which the client operates, we identified the following areas as those most likely to have a material impact on the financial statements: Health and Safety, operator licencing and compliance with the UK Companies Act.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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

This report is made solely to the company's member 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 member those matters we are required to state to the member in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's member, for our audit work, for this report, or for the opinions we have formed.

**Damian Walmsley**  
**Senior Statutory Auditor**  
**For and on behalf of MHA Moore and Smalley**  
**Chartered Accountants**  
**Statutory Auditor**

Richard House  
9 Winckley Square  
Preston  
PR1 3HP

19 October 2023

# JOHN TRUSWELL & SONS (GARAGE) LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 31 JULY 2022

		Period ended 31 July 2022 £	Year ended 30 June 2021 £
	Notes		
<b>Turnover</b>	<b>3</b>	12,179,891	10,675,682
Cost of sales		(9,836,176)	(8,925,016)
<b>Gross profit</b>		<b>2,343,715</b>	<b>1,750,666</b>
Administrative expenses		(1,753,438)	(1,301,772)
Other operating income		5,140	11,653
<b>Operating profit</b>	<b>4</b>	<b>595,417</b>	<b>460,547</b>
Interest receivable and similar income	<b>7</b>	1,820	580
Interest payable and similar expenses	<b>8</b>	(209,692)	(30,687)
<b>Profit before taxation</b>		<b>387,545</b>	<b>430,440</b>
Tax on profit	<b>9</b>	(133,639)	(63,023)
<b>Profit for the financial period</b>		<b>253,906</b>	<b>367,417</b>

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

**JOHN TRUSWELL & SONS (GARAGE) LIMITED****STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 31 JULY 2022**

	<b>Period ended 31 July 2022 £</b>	<b>Year ended 30 June 2021 £</b>
<b>Profit for the period</b>	253,906	367,417
<b>Other comprehensive income</b>		
Revaluation of tangible fixed assets	481,270	556,470
Tax relating to other comprehensive income	(144,231)	(75,727)
<b>Other comprehensive income for the period</b>	337,039	480,743
<b>Total comprehensive income for the period</b>	590,945	848,160

# JOHN TRUSWELL & SONS (GARAGE) LIMITED

## BALANCE SHEET

AS AT 31 JULY 2022

		31 July 2022		30 June 2021	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	12	5,955,932		5,863,920	
Investments	13	33,173		33,173	
		<u>5,989,105</u>		<u>5,897,093</u>	
<b>Current assets</b>					
Stocks	15	95,893		66,215	
Debtors	16	7,669,844		1,901,716	
Cash at bank and in hand		39,342		536,356	
		<u>7,805,079</u>		<u>2,504,287</u>	
<b>Creditors: amounts falling due within one year</b>	17	<u>(3,973,912)</u>		<u>(1,866,624)</u>	
<b>Net current assets</b>			<u>3,831,167</u>		<u>637,663</u>
<b>Total assets less current liabilities</b>			<u>9,820,272</u>		<u>6,534,756</u>
<b>Creditors: amounts falling due after more than one year</b>	18		<u>(3,689,547)</u>		<u>(991,653)</u>
<b>Provisions for liabilities</b>					
Deferred tax liability	21	<u>798,918</u>	<u>(798,918)</u>	<u>576,201</u>	<u>(576,201)</u>
<b>Net assets</b>			<u><u>5,331,807</u></u>		<u><u>4,966,902</u></u>
<b>Capital and reserves</b>					
Called up share capital	23	2,604		2,604	
Revaluation reserve		1,042,884		710,492	
Profit and loss reserves		4,286,319		4,253,806	
<b>Total equity</b>		<u><u>5,331,807</u></u>		<u><u>4,966,902</u></u>	

The financial statements were approved by the board of directors and authorised for issue on 18 October 2023 and are signed on its behalf by:

**Mr G T Darnell**  
Director

Company Registration No. 00362763

# JOHN TRUSWELL & SONS (GARAGE) LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 JULY 2022

		Share capital	Revaluation reserves	Profit and loss reserves	Total
	Notes	£	£	£	£
<b>Balance at 1 July 2020</b>		2,604	227,889	3,950,745	4,181,238
<b>Year ended 30 June 2021:</b>					
Profit for the year		-	-	367,417	367,417
Other comprehensive income:					
Revaluation of tangible fixed assets		-	556,470	-	556,470
Tax relating to other comprehensive income		-	(75,727)	-	(75,727)
Total comprehensive income for the year		-	480,743	367,417	848,160
Dividends	10	-	-	(62,496)	(62,496)
Transfers		-	1,860	(1,860)	-
<b>Balance at 30 June 2021</b>		2,604	710,492	4,253,806	4,966,902
<b>Period ended 31 July 2022:</b>					
Profit for the period		-	-	253,906	253,906
Other comprehensive income:					
Revaluation of tangible fixed assets		-	481,270	-	481,270
Tax relating to other comprehensive income		-	(144,231)	-	(144,231)
Total comprehensive income for the period		-	337,039	253,906	590,945
Dividends	10	-	-	(226,040)	(226,040)
Transfers		-	(4,647)	4,647	-
<b>Balance at 31 July 2022</b>		2,604	1,042,884	4,286,319	5,331,807

# JOHN TRUSWELL & SONS (GARAGE) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE PERIOD ENDED 31 JULY 2022

---

#### 1 Accounting policies

##### Company information

John Truswell & Sons (Garage) Limited is a private company limited by shares incorporated in England and Wales. The registered office is Fall Bank Industrial Estate, Dodworth, Barnsley, S75 3LS.

##### 1.1 Reporting period

These financial statements are for the 13 months period to 31 July 2022. The accounting period has been extended to bring it in line with the ultimate parent company. The comparative amounts presented in the financial statements are therefore not entirely comparable.

##### 1.2 Accounting convention

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

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

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

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

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of OTIF Distribution Ltd. These consolidated financial statements are available from its registered office, Fall Bank Industrial Estate, Dodworth, Barnsley, S75 3LS.

## JOHN TRUSWELL & SONS (GARAGE) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JULY 2022

#### 1 Accounting policies

(Continued)

##### 1.3 Going concern

The Directors believe that in spite of the rising costs and other economic challenges the business has the resources to continue trading positively. The loss of the two Kenyon companies to the group is a set back but as has been stated, the effect on John Truswell & Sons (Garage) Limited has been minimal. The operational team have been and continue to be very loyal to the company. Its relationship with its customers also remains strong with customer retention remaining high since the change of ownership.

A new customer has been secured for which will boost transport and warehouse revenues. This new customer has been included in forecasts through to the end of 2024 which support the Directors belief that whilst the industry continues to be tested, forecasted revenues will grow by over 11% from 1 August 2023 to 31 July 2024. Gross margins during this period will continue to improve to around 22% through more expansion in revenues that have a more value adding benefit. This is supported by the 2023 Management Accounts which support the improved Gross Margin and increased revenue forecast.

Despite increases in Cost of Sales, Overheads and Interest, the benefit of the improved Gross Margin exceeds these rising costs, thereby delivering profits through to the end of 2024.

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

##### 1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. Revenue from haulage contracts is recognised when the collection of goods has been completed. Income in respect of storage rental, warehouse handling, vehicle maintenance and other incidental income streams is recognised upon delivery of the service to the customer.

Amounts received in advance are recorded as accrued liabilities until services are rendered to customers or goods are delivered.

##### 1.5 Intangible fixed assets - goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2016, was being amortised evenly over its estimated useful life of two years and now has a nil net book value in the financial statements.

##### 1.6 Tangible fixed assets

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

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

Freehold land and buildings	2% straight line
Plant and equipment	10% reducing balance
Fixtures and fittings	10% reducing balance
Computers	33% straight line
Motor vehicles	Variable based on useful economic life of individual asset

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



# JOHN TRUSWELL & SONS (GARAGE) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JULY 2022

### 1 Accounting policies

(Continued)

#### 1.7 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

#### 1.8 Impairment of fixed assets

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

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

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

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

#### 1.9 Stocks

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

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

# JOHN TRUSWELL & SONS (GARAGE) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JULY 2022

### 1 Accounting policies

(Continued)

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

#### 1.10 Cash and cash equivalents

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

#### 1.11 Financial instruments

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

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

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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

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

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

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

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

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

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

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

# JOHN TRUSWELL & SONS (GARAGE) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JULY 2022

### 1 Accounting policies

(Continued)

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

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

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

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

#### ***Basic financial liabilities***

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

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

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

#### ***Other financial liabilities***

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

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

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

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

#### **1.12 Equity instruments**

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs.

Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### **1.13 Taxation**

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

# JOHN TRUSWELL & SONS (GARAGE) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JULY 2022

### 1 Accounting policies

(Continued)

#### **Current tax**

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

#### **Deferred tax**

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

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### **1.14 Employee benefits**

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

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

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

#### **1.15 Retirement benefits**

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

#### **1.16 Leases**

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

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

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

## JOHN TRUSWELL & SONS (GARAGE) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JULY 2022

---

#### 1 Accounting policies

(Continued)

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

##### 1.17 Government grants

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

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

#### 2 Judgements and key sources of estimation uncertainty

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

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

##### Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

The useful economic life of tangible fixed assets is judged at the point of purchase and reviewed at each financial reporting date. This judgement is based upon the director's in depth knowledge of the industry in which the company operates and of the individual assets.

At each balance sheet date, the directors undertake an assessment of the carrying amounts of its tangible fixed assets based upon their knowledge of the assets to determine whether there is any indication that the assets have suffered an impairment loss. Where necessary, an impairment is recorded as an impairment loss.

##### Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

At each balance sheet date and on a weekly basis the debtors are reviewed, and tactical decisions made to ensure payment is received from customers. A standard process is in place to pursue payment including the use of a debt collection agencies, suspension of deliveries and retention of customer inventory, until payment is made.

Furthermore, the credit worthiness of each customer is checked monthly to review the validity of credit limits agreed and to establish the extent of any adjustment. This calculation is based on the financial position of the customers, the historical speed of payment and any ongoing discussions between relevant parties to the individual debtor.

# JOHN TRUSWELL & SONS (GARAGE) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JULY 2022

### 3 Turnover and other revenue

	2022 £	2021 £
<b>Turnover analysed by class of business</b>		
Haulage	11,632,739	10,272,167
Fuel	11,090	5,455
Storage	324,791	281,257
Repair work	101,379	85,632
Training	109,892	31,171
	<u>12,179,891</u>	<u>10,675,682</u>
	2022 £	2021 £
<b>Turnover analysed by geographical market</b>		
United Kingdom	12,179,891	10,580,564
Europe	-	95,118
	<u>12,179,891</u>	<u>10,675,682</u>
	2022 £	2021 £
<b>Other revenue</b>		
Grants received	5,140	10,698
	<u>5,140</u>	<u>10,698</u>

### 4 Operating profit

	2022 £	2021 £
Operating profit for the period is stated after charging/(crediting):		
Government grants	(5,140)	(10,698)
Fees payable to the company's auditor for the audit of the company's financial statements	18,350	13,765
Depreciation of owned tangible fixed assets	595,498	479,037
Depreciation of tangible fixed assets held under finance leases	205,988	254,928
Profit on disposal of tangible fixed assets	(73,159)	(35,731)
Operating lease charges	10,000	10,000
	<u>1,041,537</u>	<u>704,267</u>

**JOHN TRUSWELL & SONS (GARAGE) LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE PERIOD ENDED 31 JULY 2022****5 Employees**

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

	<b>2022</b>	<b>2021</b>
	<b>Number</b>	<b>Number</b>
Directors	2	3
Drivers	50	59
Garage staff	5	7
Office staff	19	21
Warehouse staff	4	4
	<hr/>	<hr/>
Total	80	94
	<hr/>	<hr/>

Their aggregate remuneration comprised:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Wages and salaries	3,587,922	3,043,518
Social security costs	360,747	312,909
Pension costs	82,559	88,006
	<hr/>	<hr/>
	4,031,228	3,444,433
	<hr/>	<hr/>

**6 Director's remuneration**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Remuneration for qualifying services	122,124	144,175
Company pension contributions to defined contribution schemes	2,893	23,684
	<hr/>	<hr/>
	125,017	167,859
	<hr/>	<hr/>

**7 Interest receivable and similar income**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Income from fixed asset investments</b>		
Income from other fixed asset investments	1,820	580
	<hr/>	<hr/>

**JOHN TRUSWELL & SONS (GARAGE) LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE PERIOD ENDED 31 JULY 2022****8 Interest payable and similar expenses**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Interest on bank overdrafts and loans	93,723	10,729
Interest on finance leases and hire purchase contracts	98,767	19,958
Other interest	17,202	-
	<u>209,692</u>	<u>30,687</u>

**9 Taxation**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Current tax</b>		
UK corporation tax on profits for the current period	55,153	-
	<u>55,153</u>	<u>-</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(2,565)	63,023
Adjustment in respect of prior periods	81,051	-
	<u>78,486</u>	<u>63,023</u>
Total deferred tax	<u>78,486</u>	<u>63,023</u>
Total tax charge	<u>133,639</u>	<u>63,023</u>

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

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Profit before taxation	<u>387,545</u>	<u>430,440</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	73,634	81,784
Tax effect of expenses that are not deductible in determining taxable profit	6,225	(575)
Tax effect of income not taxable in determining taxable profit	(26,655)	(13,701)
Adjustments in respect of prior years	81,051	-
Effect of change in corporation tax rate	(616)	(4,485)
Taxation charge for the period	<u>133,639</u>	<u>63,023</u>



# JOHN TRUSWELL & SONS (GARAGE) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JULY 2022

### 9 Taxation

(Continued)

In addition to the amount charged to the profit and loss account, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2022	2021
	£	£
Deferred tax arising on:		
Revaluation of property	144,231	75,727

### 10 Dividends

	2022	2021
	£	£
Interim paid	226,040	62,496

### 11 Intangible fixed assets

	Goodwill
	£
<b>Cost</b>	
At 1 July 2021 and 31 July 2022	1
<b>Amortisation and impairment</b>	
At 1 July 2021 and 31 July 2022	1
<b>Carrying amount</b>	
At 31 July 2022	-
At 30 June 2021	-

# JOHN TRUSWELL & SONS (GARAGE) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JULY 2022

### 12 Tangible fixed assets

	Freehold land and buildings £	Plant and equipment £	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
<b>Cost or valuation</b>						
At 1 July 2021	2,500,000	96,317	145,206	42,575	8,339,180	11,123,278
Additions	-	3,736	-	474	457,358	461,568
Disposals	-	-	(6,266)	(981)	(395,527)	(402,774)
Revaluation	475,000	-	-	-	-	475,000
Transfers	-	-	(21,468)	21,468	-	-
At 31 July 2022	2,975,000	100,053	117,472	63,536	8,401,011	11,657,072
<b>Depreciation and impairment</b>						
At 1 July 2021	-	70,135	77,523	32,804	5,078,896	5,259,358
Depreciation charged in the period	22,995	3,116	6,799	11,934	756,642	801,486
Eliminated in respect of disposals	-	-	(6,262)	(981)	(346,191)	(353,434)
Revaluation	(6,270)	-	-	-	-	(6,270)
Transfers	-	-	(16,561)	16,561	-	-
At 31 July 2022	16,725	73,251	61,499	60,318	5,489,347	5,701,140
<b>Carrying amount</b>						
At 31 July 2022	2,958,275	26,802	55,973	3,218	2,911,664	5,955,932
At 30 June 2021	2,500,000	26,182	67,683	9,771	3,260,284	5,863,920

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

	2022 £	2021 £
Plant and equipment	1,277,678	1,562,329

Land and buildings with a carrying amount of £2,958,275 were revalued at 2 November 2021 by Lambert Smith Hampton, independent valuers not connected with the company on the basis of market value. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties.

The following assets are carried at valuation. If the assets were measured using the cost model, the carrying amounts would be as follows:

# JOHN TRUSWELL & SONS (GARAGE) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JULY 2022

### 12 Tangible fixed assets

(Continued)

	Freehold property	
	2022	2021
	£	£
Cost	1,846,819	1,846,819
Accumulated depreciation	(151,386)	(133,038)
Carrying value	1,695,433	1,713,781

### 13 Fixed asset investments

	Notes	2022	2021
		£	£
Investments in subsidiaries	14	53	53
Unlisted investments		33,120	33,120
		33,173	33,173

### 14 Subsidiaries

Details of the company's subsidiaries at 31 July 2022 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
D M Smith (Transport) Limited	Happendon Services, Carlisle Road, Lanarkshire, ML11 2RJ, Scotland	Ordinary	100.00
J Truswell & Sons (Haulage) Limited	Fall Bank Industrial Estate, Dodworth, Barnsley, S75 3LS, England	Ordinary	100.00
Steelfreight Limited	As above	Ordinary	100.00

### 15 Stocks

	2022	2021
	£	£
Consumables	95,893	66,215

# JOHN TRUSWELL & SONS (GARAGE) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JULY 2022

### 16 Debtors

	2022	2021
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	1,666,384	1,673,705
Amounts owed by group undertakings	5,650,966	-
Other debtors	6,344	-
Prepayments and accrued income	346,150	228,011
	<u>7,669,844</u>	<u>1,901,716</u>

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

	Notes	2022	2021
		£	£
Bank loans and overdrafts	19	1,596,140	55,356
Obligations under finance leases	20	662,072	416,091
Trade creditors		846,518	738,144
Amounts owed to group undertakings		53	53
Corporation tax		55,153	-
Other taxation and social security		604,451	332,673
Other creditors		17,978	24,743
Accruals and deferred income		191,547	299,564
		<u>3,973,912</u>	<u>1,866,624</u>

Hire purchase liabilities are secured against the related assets.

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

	Notes	2022	2021
		£	£
Bank loans and overdrafts	19	1,936,306	425,362
Obligations under finance leases	20	1,753,241	566,291
		<u>3,689,547</u>	<u>991,653</u>

Hire purchase liabilities are secured against the related assets.

## JOHN TRUSWELL & SONS (GARAGE) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JULY 2022

#### 19 Loans and overdrafts

	2022 £	2021 £
Bank loans	2,284,406	480,464
Bank overdrafts	1,248,040	254
	<u>3,532,446</u>	<u>480,718</u>
Payable within one year	1,596,140	55,356
Payable after one year	<u>1,936,306</u>	<u>425,362</u>

The bank loan and overdraft facility are secured by a debenture over the assets of the company and first legal charges are held over the property: Fall Bank Crescent, Fall Bank Industrial Estate, Dodworth, Barnsley S75 3LS.

The Invoice Finance liability is secured against trade debts and a debenture over the assets of the company.

#### 20 Finance lease obligations

	2022 £	2021 £
Future minimum lease payments due under finance leases:		
Within one year	662,072	416,091
In two to five years	1,591,833	566,291
In over five years	161,408	-
	<u>2,415,313</u>	<u>982,382</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, 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 basis and no arrangements have been entered into for contingent rental payments.

# JOHN TRUSWELL & SONS (GARAGE) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JULY 2022

### 21 Deferred taxation

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

	Liabilities 2022 £	Liabilities 2021 £
<b>Balances:</b>		
Accelerated capital allowances	580,380	524,290
Tax losses	-	(17,521)
Revaluations	219,959	75,728
Short term timing differences - trading	(1,421)	(6,296)
	<u>798,918</u>	<u>576,201</u>
<b>Movements in the period:</b>		<b>2022 £</b>
Liability at 1 July 2021		576,201
Charge to profit or loss		102,400
Charge to other comprehensive income		120,317
Liability at 31 July 2022		<u>798,918</u>

The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

### 22 Retirement benefit schemes

	2022 £	2021 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	82,559	88,006

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

### 23 Share capital

	2022 Number	2021 Number	2022 £	2021 £
<b>Ordinary share capital Issued and fully paid</b>				
Ordinary shares of £1 each	2,604	2,604	2,604	2,604

## JOHN TRUSWELL & SONS (GARAGE) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JULY 2022

---

#### 24 Related party transactions

##### Transactions with related parties

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

	Payroll costs	
	2022	2021
	£	£
Other related parties	44,120	54,284
	<u>44,120</u>	<u>54,284</u>

#### 25 Ultimate controlling party

The company is a wholly owned subsidiary of OTIF Distribution Ltd, who is also the ultimate parent company of the group. The registered office of OTIF Distribution Ltd is Fall Bank Industrial Estate, Dodworth, Barnsley, S75 3LS.

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