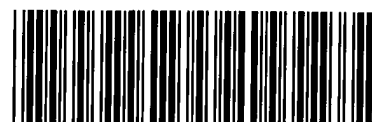


**BULK FREIGHT (MIDLANDS) LIMITED**  
**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH 2018**

SATURDAY



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**BULK FREIGHT (MIDLANDS) LIMITED**

**CONTENTS OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 2018**

	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Strategic Report</b>	<b>2</b>
<b>Report of the Directors</b>	<b>3 to 4</b>
<b>Report of the Independent Auditors</b>	<b>5 to 6</b>
<b>Income Statement</b>	<b>7</b>
<b>Other Comprehensive Income</b>	<b>8</b>
<b>Statement of Financial Position</b>	<b>9</b>
<b>Statement of Changes in Equity</b>	<b>10</b>
<b>Notes to the Financial Statements</b>	<b>11 to 21</b>

**BULK FREIGHT (MIDLANDS) LIMITED**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31ST MARCH 2018**

<b>DIRECTORS:</b>	Mr A P A Sherwood Mrs S I Sherwood Mr A J Disney Mr M T Hibbert Mrs J L Sherwood
<b>SECRETARY:</b>	Mr A J Disney
<b>REGISTERED OFFICE:</b>	47 Ashby Road Central Shepshed Loughborough Leicestershire LE12 9BS
<b>REGISTERED NUMBER:</b>	02099724 (England and Wales)
<b>SENIOR STATUTORY AUDITOR:</b>	Niall Kingsley ACA
<b>AUDITORS:</b>	Duncan & Toplis Limited, Statutory Auditor The Gables Bishop Meadow Road Loughborough Leicestershire LE11 5RE
<b>BANKERS:</b>	HSBC Bank plc P O Box 13 41 Market Place Loughborough Leicestershire LE11 3EJ
<b>SOLICITORS:</b>	Flint Bishop & Barnett St Michaels Court St Michaels Lane Derbyshire DE1 3HQ

## BULK FREIGHT (MIDLANDS) LIMITED

### STRATEGIC REPORT FOR THE YEAR ENDED 31ST MARCH 2018

The directors present their strategic report for the year ended 31st March 2018.

#### REVIEW OF BUSINESS

Revenue fell by £200,012 in the year to 31 March 2018 to £18,790,390. Increased depreciation charges due to the level of asset additions and lower residual values saw overall gross profit margins decrease from 9.8% to 8.3%. Administrative expenses have increased, leading to profit before taxation decreasing by £349,289 to £609,416.

The Company has continued to invest heavily in revitalising the fleet with investment in lorries and trailers of £4,007,895.

The above results have seen net assets increase by £487,934 to £6,416,363.

The Company is focused on investing in driver training and technology to achieve efficiencies, reduce the risk of incidents and reduce its environmental impact. The directors are mindful of these responsibilities and are pleased with the progress made during the year in these areas.

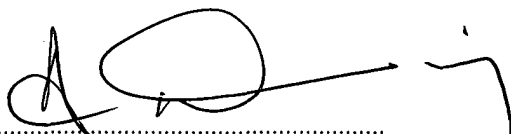
#### Key Performance Indicators

	2018 £'000	2017 £'000	% inc / (dec)
Revenue	18,790	18,990	(1.05)
Gross Profit	1,561	1,865	(16.30)
Gross Profit %	8.31%	9.82%	
Net Profit Before Taxation	609	959	(36.50)
Net Profit %	3.24%	5.05%	
Earnings Before Interest, Tax, Depreciation and Amortisation	3,001	3,103	(3.29)

#### PRINCIPAL RISKS AND UNCERTAINTIES

The key business risks and uncertainties affecting the company are considered to relate to uncertainties relating to fuel prices and driver recruitment and retention. The directors deal with this by regularly looking at new options and contracts. This has proved to be a successful approach as the profitability of the company has been maintained year on year and is expected to continue or improve. The company manage their financial risk by ensuring sufficient liquidity is available to meet their needs. Investments in tangible fixed assets are mainly financed through hire purchase contracts, which have fixed interest rates.

#### ON BEHALF OF THE BOARD:



Mr A J Disney - Secretary

Date: 14/12/18

## **BULK FREIGHT (MIDLANDS) LIMITED**

### **REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31ST MARCH 2018**

The directors present their report with the financial statements of the company for the year ended 31st March 2018.

#### **PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of bulk haulage.

#### **DIVIDENDS**

No dividends will be distributed for the year ended 31st March 2018.

#### **DIRECTORS**

The directors shown below have held office during the whole of the period from 1st April 2017 to the date of this report.

Mr A P A Sherwood  
Mrs S I Sherwood  
Mr A J Disney  
Mr M T Hibbert  
Mrs J L Sherwood

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the 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 of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

#### **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 company'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 company's auditors are aware of that information.

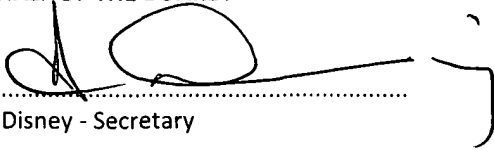
**BULK FREIGHT (MIDLANDS) LIMITED**

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31ST MARCH 2018**

**AUDITORS**

The auditors, Duncan & Toplis Limited, Statutory Auditor, will be proposed for re-appointment at the forthcoming Annual-General Meeting.

**ON BEHALF OF THE BOARD:**

A handwritten signature in black ink, appearing to be 'A J Disney', written over a dotted line.

Mr A J Disney - Secretary

Date: 14 / 12 / 18

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF BULK FREIGHT (MIDLANDS) LIMITED**

### **Opinion**

We have audited the financial statements of Bulk Freight (Midlands) Limited (the 'company') for the year ended 31st March 2018 which comprise the Income Statement, Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 31st March 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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

### **Other information**

The directors are responsible for the other information. The other information comprises the information in the 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 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, 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.

### **Opinion 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 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 Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
BULK FREIGHT (MIDLANDS) LIMITED**

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

**Responsibilities of directors**

As explained more fully in the 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**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.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

**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.

*Duncan + Toplis Limited*

Niall Kingsley ACA (Senior Statutory Auditor)  
for and on behalf of Duncan & Toplis Limited, Statutory Auditor  
The Gables  
Bishop Meadow Road  
Loughborough  
Leicestershire  
LE11 5RE

Date: 29/12/18



**BULK FREIGHT (MIDLANDS) LIMITED****INCOME STATEMENT  
FOR THE YEAR ENDED 31ST MARCH 2018**

	Notes	2018 £	2017 £
<b>REVENUE</b>		18,790,390	18,990,402
Cost of sales		<u>17,229,162</u>	<u>17,125,246</u>
<b>GROSS PROFIT</b>		1,561,228	1,865,156
Administrative expenses		<u>1,199,169</u>	<u>1,148,712</u>
		362,059	716,444
Other operating income		<u>322,500</u>	<u>330,000</u>
<b>OPERATING PROFIT</b>	4	684,559	1,046,444
Interest payable and similar expenses	5	<u>75,143</u>	<u>87,739</u>
<b>PROFIT BEFORE TAXATION</b>		609,416	958,705
Tax on profit	6	<u>121,482</u>	<u>168,876</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u><u>487,934</u></u>	<u><u>789,829</u></u>

The notes form part of these financial statements

**BULK FREIGHT (MIDLANDS) LIMITED**

**OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31ST MARCH 2018**

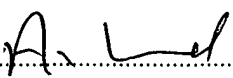
	Notes	2018 £	2017 £
<b>PROFIT FOR THE YEAR</b>		487,934	789,829
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>487,934</u>	<u>789,829</u>

The notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION  
31ST MARCH 2018

	Notes	2018		2017	
		£	£	£	£
<b>FIXED ASSETS</b>					
Intangible assets	7	-	-	-	-
Property, plant and equipment	8	12,475,908		11,043,375	
		<u>12,475,908</u>		<u>11,043,375</u>	
<b>CURRENT ASSETS</b>					
Inventories	9	111,884		131,087	
Debtors	10	4,332,245		4,818,185	
Cash at bank and in hand		473,107		1,282,100	
		<u>4,917,236</u>		<u>6,231,372</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	11	8,315,556		8,759,368	
		<u>8,315,556</u>		<u>8,759,368</u>	
<b>NET CURRENT LIABILITIES</b>			(3,398,320)		(2,527,996)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>9,077,588</u>		<u>8,515,379</u>
<b>CREDITORS</b>					
Amounts falling due after more than one year	12		(2,171,630)		(2,129,767)
<b>PROVISIONS FOR LIABILITIES</b>	16		(489,595)		(457,183)
<b>NET ASSETS</b>			<u>6,416,363</u>		<u>5,928,429</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	17		1,000		1,000
Retained earnings	18		6,415,363		5,927,429
<b>SHAREHOLDERS' FUNDS</b>			<u>6,416,363</u>		<u>5,928,429</u>

The financial statements were approved by the Board of Directors on 14/12/18 and were signed on its behalf by:

  
 .....  
 Mr A P A Sherwood - Director

**BULK FREIGHT (MIDLANDS) LIMITED****STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31ST MARCH 2018**

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1st April 2016</b>	1,000	5,137,600	5,138,600
<b>Changes in equity</b>			
Total comprehensive income	-	789,829	789,829
<b>Balance at 31st March 2017</b>	1,000	5,927,429	5,928,429
<b>Changes in equity</b>			
Total comprehensive income	-	487,934	487,934
<b>Balance at 31st March 2018</b>	1,000	6,415,363	6,416,363

The notes form part of these financial statements

## **BULK FREIGHT (MIDLANDS) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018**

#### **1. GENERAL INFORMATION**

Bulk Freight (Midlands) 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 Company Information page.

The financial statements are presented in sterling which is the functional currency of the company and rounded to the nearest £.

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

The financial statements cover the individual entity.

#### **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 on a going concern basis under the historical cost convention.

##### **Financial Reporting Standard 102 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of Section 33 Related Party Disclosures paragraph 33.7.

The ultimate parent company is Fred Sherwood Group Limited. Consolidated financial statements of Fred Sherwood Group Limited can be obtained from:

Companies House  
Crown Way  
Cardiff  
CF14 3UZ

##### **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. Consolidated financial statements are prepared by the ultimate parent company, and are publicly available from 47 Ashby Road Central, Shepshed, Loughborough, Leicestershire, LE12 9BS.

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST MARCH 2018**

**2. ACCOUNTING POLICIES - continued**

**Significant judgements and estimates**

In the application of the company's accounting policies, management is required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below.

**(i) Useful economic lives of tangible assets:**

The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

**Revenue**

Revenue is measured at fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. Revenue is recognised upon despatch of goods or on provision of services.

**Goodwill**

Goodwill, being the amount paid in connection with the acquisition of a business in 2010, was amortised evenly over its estimated useful life of two years.

**Property plant & equipment**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Lorries and trailers	10-33% Straight line
Fixtures, fittings and equipment	20% Reducing balance
Computer equipment	33% Straight Line
Motor vehicles	25% Reducing balance

**Inventories**

Inventories are valued at the lower of cost and fair value, after making due allowance for obsolete and slow moving items. Inventories are accounted for on a first in, first out basis.

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the 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 statement of financial position date.

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST MARCH 2018**

**2. ACCOUNTING POLICIES - continued**

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position 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 acquired under finance leases or hire purchase contracts are capitalised as tangible assets and depreciation is provided accordingly. The capital element of future payments is treated as a liability; finance charges and interest are taken to the income statement on a straight line basis over the period of the agreement.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the income statement.

**Financial instruments**

The company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

Basic financial assets, including trade and other debtors and cash and bank balances are initially recognised at transaction price, unless the agreement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. 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 the income statement.

Basic financial liabilities, including trade and other 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 receipts discounted at a market rate of interest.

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. Accounts 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.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31ST MARCH 2018**

**2. ACCOUNTING POLICIES - continued**

**Impairment of assets**

At each reporting date property, plant and equipment are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in the income statement.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment is recognised immediately in the income statement.

**3. EMPLOYEES AND DIRECTORS**

	2018 £	2017 £
Wages and salaries	4,329,992	4,288,222
Social security costs	439,596	437,514
Other pension costs	83,942	70,926
	<u>4,853,530</u>	<u>4,796,662</u>

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

	2018	2017
Office and management	24	24
Drivers and garage staff	124	123
	<u>148</u>	<u>147</u>

	2018 £	2017 £
Directors' remuneration	105,668	114,305
Directors' pension contributions to money purchase schemes	23,660	15,566
	<u>129,328</u>	<u>129,871</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>2</u>	<u>2</u>
------------------------	----------	----------

Included in directors' remuneration are amounts paid by the company's parent company in respect of directors services.

The only key management personnel remuneration is that noted above in respect of the directors.



**BULK FREIGHT (MIDLANDS) LIMITED****NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST MARCH 2018****4. OPERATING PROFIT**

The operating profit is stated after charging:

	2018	2017
	£	£
Hire of plant and machinery	400	450
Depreciation - owned assets	1,166,098	1,391,023
Depreciation - assets on hire purchase contracts	1,150,762	1,253,380
Loss on disposal of fixed assets	9,170	10,145
Auditors' remuneration	8,975	8,008
Operating leases - Land and buildings	35,000	35,000
Operating leases - Plant and machinery	334,388	277,200

**5. INTEREST PAYABLE AND SIMILAR EXPENSES**

	2018	2017
	£	£
Interest on overdue tax	25	-
Hire purchase interest	75,118	87,739
	<u>75,143</u>	<u>87,739</u>

**6. TAXATION****Analysis of the tax charge**

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

	2018	2017
	£	£
Current tax:		
UK corporation tax	103,218	199,068
Adjustment re previous years	(14,148)	-
Total current tax	<u>89,070</u>	<u>199,068</u>
Deferred tax	<u>32,412</u>	<u>(30,192)</u>
Tax on profit	<u>121,482</u>	<u>168,876</u>

**BULK FREIGHT (MIDLANDS) LIMITED****NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST MARCH 2018****6. TAXATION - continued****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:

	2018 £	2017 £
Profit before tax	<u>609,416</u>	<u>958,705</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 20%)	115,789	191,741
Effects of:		
Expenses not deductible for tax purposes	5,020	3,226
Capital allowances in excess of depreciation	(17,620)	-
Depreciation in excess of capital allowances	-	4,101
Adjustments to tax charge in respect of previous periods	(14,148)	-
Other adjustments	29	-
Deferred tax	<u>32,412</u>	<u>(30,192)</u>
Total tax charge	<u>121,482</u>	<u>168,876</u>

**7. INTANGIBLE FIXED ASSETS**

	Goodwill £
<b>COST</b>	
At 1st April 2017 and 31st March 2018	<u>60,000</u>
<b>AMORTISATION</b>	
At 1st April 2017 and 31st March 2018	<u>60,000</u>
<b>NET BOOK VALUE</b>	
At 31st March 2018	<u>-</u>
At 31st March 2017	<u>-</u>

**BULK FREIGHT (MIDLANDS) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31ST MARCH 2018**

**8. PROPERTY, PLANT AND EQUIPMENT**

	Lorries and trailers £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>					
At 1st April 2017	18,489,938	268,187	350,684	18,327	19,127,136
Additions	4,007,895	15,081	83,972	29,309	4,136,257
Disposals	(1,418,082)	(115,842)	(35,749)	-	(1,569,673)
Reclassification/transfer	-	(3,397)	-	3,397	-
At 31st March 2018	21,079,751	164,029	398,907	51,033	21,693,720
<b>DEPRECIATION</b>					
At 1st April 2017	7,694,709	218,659	156,616	13,777	8,083,761
Charge for year	2,234,647	10,308	62,014	9,891	2,316,860
Eliminated on disposal	(1,049,277)	(113,409)	(20,123)	-	(1,182,809)
Reclassification/transfer	-	(393)	-	393	-
At 31st March 2018	8,880,079	115,165	198,507	24,061	9,217,812
<b>NET BOOK VALUE</b>					
At 31st March 2018	12,199,672	48,864	200,400	26,972	12,475,908
At 31st March 2017	10,795,229	49,528	194,068	4,550	11,043,375

The net book value of tangible fixed assets includes £7,731,661 (2017 - £10,745,655) in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £1,150,762 (2017 - £1,253,380).

**9. INVENTORIES**

	2018 £	2017 £
Raw materials	111,884	131,087

Inventories recognised in cost of sales during the year as an expense were £4,281,433 (2017 - £4,750,036).

**10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2018 £	2017 £
Trade debtors	2,680,345	2,666,557
Amounts owed by group undertakings	868,812	1,481,192
Other debtors	186,000	3,476
Prepayments	597,088	666,960
	4,332,245	4,818,185

**BULK FREIGHT (MIDLANDS) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST MARCH 2018**

**11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2018	2017
	£	£
Hire purchase contracts (see note 13)	2,754,577	1,788,259
Trade creditors	1,059,662	1,069,323
Amounts owed to group undertakings	3,702,431	5,157,648
Corporation tax	103,218	199,068
Other taxes and social security	527,403	392,422
Other creditors	13,666	11,771
Accrued expenses	154,599	140,877
	<u>8,315,556</u>	<u>8,759,368</u>

**12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2018	2017
	£	£
Hire purchase contracts (see note 13)	<u>2,171,630</u>	<u>2,129,767</u>

**13. LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2018	2017
	£	£
Gross obligations repayable:		
Within one year	2,831,902	1,848,985
Between one and five years	2,233,421	2,187,137
	<u>5,065,323</u>	<u>4,036,122</u>
Finance charges repayable:		
Within one year	77,325	60,726
Between one and five years	61,791	57,370
	<u>139,116</u>	<u>118,096</u>
Net obligations repayable:		
Within one year	2,754,577	1,788,259
Between one and five years	2,171,630	2,129,767
	<u>4,926,207</u>	<u>3,918,026</u>

	Non-cancellable operating leases	
	2018	2017
	£	£
Between one and five years	<u>369,860</u>	<u>628,579</u>

# **BULK FREIGHT (MIDLANDS) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31ST MARCH 2018**

### **13. LEASING AGREEMENTS - continued**

The hire purchase contracts relate to a number of lorries and trailers for the haulage industry. The remaining lease terms range from one to four years. At the end of the lease, title passes to the company for a nominal fee.

### **14. SECURED DEBTS**

The following secured debts are included within creditors:

	2018	2017
	£	£
Hire purchase contracts	<u>4,926,207</u>	<u>3,918,026</u>

Net obligations under finance lease and hire purchase contracts are secured by fixed charges on the assets concerned.

### **15. FINANCIAL INSTRUMENTS**

The company has the following financial instruments:

	2018	2017
	£	£
Financial assets that are debt instruments measured at amortised cost		
Trade debtors	2,680,345	2,666,557
Amounts owed by group undertakings	868,812	1,481,192
Other debtors	186,000	3,476
Financial liabilities measured at amortised cost		
Hire purchase contracts	4,926,207	3,918,026
Trade creditors	1,059,662	1,069,323
Amounts owed to group undertakings	3,702,431	5,157,648
Other creditors	13,666	11,771
Accruals	154,999	140,877

The total interest income and interest expense for financial assets and financial liabilities that are not measured at fair value through the income statement was £nil (2017 £nil) and £75,118 (2017 £87,739) respectively.

### **16. PROVISIONS FOR LIABILITIES**

	2018	2017
	£	£
Deferred tax		
Accelerated capital allowances	<u>489,595</u>	<u>457,183</u>
		Deferred tax
		£
Balance at 1st April 2017		457,183
Provided during year		<u>32,412</u>
Balance at 31st March 2018		<u>489,595</u>

**BULK FREIGHT (MIDLANDS) LIMITED****NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST MARCH 2018****16. PROVISIONS FOR LIABILITIES - continued**

The expected net reversal of deferred tax liabilities in 2019 is not expected to be significant based on planned capital expenditure for the company.

**17. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2018 £	2017 £
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>

**18. RESERVES**

	Retained earnings £
At 1st April 2017	5,927,429
Profit for the year	<u>487,934</u>
At 31st March 2018	<u>6,415,363</u>

**19. PENSION COMMITMENTS**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in independently administered funds. During the year contributions have been paid totalling £83,942 (2017 - £70,926) and at the year end £221 (2017 - £2,372) was outstanding.

**20. ULTIMATE PARENT COMPANY**

Fred Sherwood Group Limited is regarded by the directors as being the company's ultimate parent company.

The parent company is Fred Sherwood & Sons (Transport) Limited which owns 100% of the share capital.

**21. CONTINGENT LIABILITIES**

There are unlimited multilateral guarantees given by the company, ten fellow subsidiary companies and the parent company for this year, in favour of HSBC Bank Plc. The total amount secured as at 31 March 2018, excluding this company, was £1,133,303 (2017 - £5,655,790).

**22. CAPITAL COMMITMENTS**

	2018 £	2017 £
Contracted but not provided for in the financial statements	<u>1,107,600</u>	<u>2,293,750</u>

**BULK FREIGHT (MIDLANDS) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31ST MARCH 2018**

**23. RELATED PARTY DISCLOSURES**

Included within the financial statements are the following items resulting from transactions with related parties.

The company occupies business premises which are owned by the trustees of the Fred Sherwood & Sons (Transport) Ltd Pension Scheme. In the year a market rent of £35,000 (2017 - £35,000) was paid to the trustees under the terms of the lease. The trustees of the scheme include Mrs S I Sherwood and A P A Sherwood who are directors of both the company and its parent company, and A F Sherwood, J A Sherwood and Mrs B H Sherwood-Ratcliffe who are directors of the parent company.

**24. ULTIMATE CONTROLLING PARTY**

The controlling party is A F Sherwood.