

**BULK FREIGHT (MIDLANDS) LIMITED**

**STRATEGIC REPORT,**

**REPORT OF THE DIRECTORS AND**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2023**

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FOR THE YEAR ENDED 31 MARCH 2023**

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**BULK FREIGHT (MIDLANDS) LIMITED**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31 MARCH 2023**

<b>DIRECTORS:</b>	Mr A P A Sherwood Mrs S I Sherwood Mr A J Disney 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>BUSINESS ADDRESS:</b>	Trent Lane Castle Donington Derbyshire DE74 2NP
<b>REGISTERED NUMBER:</b>	02099724 (England and Wales)
<b>SENIOR STATUTORY AUDITOR:</b>	Niall Kingsley FCA
<b>AUDITORS:</b>	Duncan & Toplis Audit Limited, Statutory Auditor 3 Princes Court Royal Way Loughborough Leicestershire LE11 5XR
<b>SOLICITORS:</b>	Browne Jacobson LLP Mowbray House Castle Meadow Road Nottingham NG2 1BJ

**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 MARCH 2023**

The directors present their strategic report for the year ended 31 March 2023.

**REVIEW OF BUSINESS**

Revenue has increased by £1.8m in the year to 31 March 2023 to £19.8m. Tighter controls on direct costs has led to gross profit margin increasing overall from 10.8% to 11.8%. Administrative expenses have increased by £181k compared with the prior year, leading to profit before taxation increasing by £183k to £1.7m.

The company has continued to invest heavily in revitalising the fleet with investment in lorries and trailers of £1.5m.

The above results have seen net assets increase by £1.8m to £10.9m.

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**

	<b>2023</b> £'000	<b>2022</b> £'000	<b>% inc / (dec)</b>
Revenue	19,810	18,025	9.9
Gross Profit	2,347	1,941	20.9
Gross Profit %	11.8%	10.8%	
Net Profit Before Taxation	1,710	1,527	12.0
Net Profit %	8.6%	8.5%	
Earnings Before Interest, Tax, Depreciation and Amortisation	4,121	3,894	5.8

**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 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.

The company is part of the Sherwood Group, which has little trading activity with any country within the EU and as such, the Board expects no material impact on the company's trading activities following Brexit. The Board cannot meaningfully assess any wider macroeconomic impact of Brexit which may affect business sentiment in trading and financial markets leading to a material change in the economic or financial environment within the UK and Europe for the company.

**ON BEHALF OF THE BOARD:**

Mr A J Disney - Secretary

21 December 2023

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 MARCH 2023**

The directors present their report with the financial statements of the company for the year ended 31 March 2023.

**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 31 March 2023.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 April 2022 to the date of this report.

Mr A P A Sherwood  
Mrs S I Sherwood  
Mr A J Disney  
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.

**ON BEHALF OF THE BOARD:**

Mr A J Disney - Secretary

21 December 2023

## **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 31 March 2023 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 31 March 2023 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**

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

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

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

### **Other information**

The 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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

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

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

- the information given in the 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.

### **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.

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

### **Responsibilities of directors**

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

In preparing the financial statements, the directors are responsible for assessing the 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We have identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial experience, knowledge of the sector, a review of regulatory and legal correspondence and through discussions with Directors and other management obtained as part of the work required by auditing standards. We have also discussed with the Directors and other management the policies and procedures relating to compliance with laws and regulations. We communicated laws and regulations throughout the team and remained alert to any indications of non-compliance throughout the audit.

The potential impact of different laws and regulations varies considerably. Firstly, the company is subject to laws and regulations that directly impact the financial statements (for example financial reporting legislation) and we have assessed the extent of compliance with such laws as part of our financial statements audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including risk of override of controls) and determined that the principal risks were related to management bias in accounting estimates and judgemental areas of the financial statements such as depreciation of property, plant and equipment, as well as the risk of inappropriate journal entries to manipulate reported profitability. Audit procedures performed by the engagement team included the identification and testing of unusual material journal entries and challenging management on key estimates, assumptions and judgements made in the preparation of the financial statements. We carried out detailed substantive tests on accounting estimates, including reviewing the methods and data used by management to make those estimates such as residual values and expected asset replacement cycles and reperforming the calculation.

Secondly, the company is subject to other laws and regulations where the consequence for non-compliance could have a material effect on the amounts or disclosures in the financial statements. We identified the following areas as those most likely to have such an effect: Operator Licensing requirements, ISO requirements, Health and Safety regulations and Employment laws.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection. This inspection included a review to ensure that the required memberships and certificates are held by the company and employees, including confirmation of a valid operator's license. Health and safety requirements were reviewed for any evidence of non-compliance, in addition to an assessment of the company's employment and health and safety controls. Through these procedures, if we became aware of any non-compliance, we considered the impact on the procedures performed on the related financial statement items.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. The further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. As with any audit, there is a greater risk of non-detection of irregularities as these may involve collusion, intentional omissions of the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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.

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

**Use of our report**

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

Niall Kingsley FCA (Senior Statutory Auditor)  
for and on behalf of Duncan & Toplis Audit Limited, Statutory Auditor  
3 Princes Court  
Royal Way  
Loughborough  
Leicestershire  
LE11 5XR

21 December 2023



**BULK FREIGHT (MIDLANDS) LIMITED (REGISTERED NUMBER: 02099724)****INCOME STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2023**

	Notes	2023 £	2022 £
<b>REVENUE</b>		19,810,145	18,024,595
Cost of sales		<u>17,463,382</u>	<u>16,084,064</u>
<b>GROSS PROFIT</b>		2,346,763	1,940,531
Administrative expenses		<u>883,238</u>	<u>702,659</u>
		1,463,525	1,237,872
Other operating income		<u>316,750</u>	<u>332,250</u>
<b>OPERATING PROFIT</b>	4	<u>1,780,275</u>	<u>1,570,122</u>
Interest receivable and similar income		<u>7,145</u>	<u>-</u>
		1,787,420	1,570,122
Interest payable and similar expenses	6	<u>77,690</u>	<u>42,943</u>
<b>PROFIT BEFORE TAXATION</b>		1,709,730	1,527,179
Tax on profit	7	<u>(66,663)</u>	<u>395,510</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u>1,776,393</u>	<u>1,131,669</u>

The notes form part of these financial statements

**BULK FREIGHT (MIDLANDS) LIMITED (REGISTERED NUMBER: 02099724)**

**OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2023**

	Notes	2023 £	2022 £
<b>PROFIT FOR THE YEAR</b>		1,776,393	1,131,669
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>1,776,393</u>	<u>1,131,669</u>

The notes form part of these financial statements

**BULK FREIGHT (MIDLANDS) LIMITED (REGISTERED NUMBER: 02099724)****STATEMENT OF FINANCIAL POSITION  
31 MARCH 2023**

	Notes	2023 £	£	2022 £	£
<b>FIXED ASSETS</b>					
Intangible assets	8		-		-
Property, plant and equipment	9		<u>8,981,558</u>		<u>10,622,505</u>
			8,981,558		10,622,505
<b>CURRENT ASSETS</b>					
Inventories	10	153,979		133,000	
Debtors	11	5,561,683		6,649,797	
Cash at bank and in hand		<u>3,728,640</u>		<u>703,002</u>	
		9,444,302		7,485,799	
<b>CREDITORS</b>					
Amounts falling due within one year	12	<u>4,887,467</u>		<u>5,350,597</u>	
<b>NET CURRENT ASSETS</b>			<u>4,556,835</u>		<u>2,135,202</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			13,538,393		12,757,707
<b>CREDITORS</b>					
Amounts falling due after more than one year	13		(1,214,614)		(2,257,155)
<b>PROVISIONS FOR LIABILITIES</b>	17		<u>(1,426,383)</u>		<u>(1,379,549)</u>
<b>NET ASSETS</b>			<u>10,897,396</u>		<u>9,121,003</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	18		1,000		1,000
Retained earnings	19		<u>10,896,396</u>		<u>9,120,003</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>10,897,396</u>		<u>9,121,003</u>

The financial statements were approved by the Board of Directors and authorised for issue on 21 December 2023 and were signed on its behalf by:

Mr A P A Sherwood - Director

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2023**

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 April 2021</b>	1,000	7,988,334	7,989,334
<b>Changes in equity</b>			
Total comprehensive income	-	1,131,669	1,131,669
<b>Balance at 31 March 2022</b>	1,000	9,120,003	9,121,003
<b>Changes in equity</b>			
Total comprehensive income	-	1,776,393	1,776,393
<b>Balance at 31 March 2023</b>	1,000	10,896,396	10,897,396

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**

**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 paragraph 33.7.

The company is a subsidiary of Fred Sherwood Group Limited. Consolidated financial statements of Fred Sherwood Group Limited can be obtained from 47 Ashby Road Central, Shepshed, Loughborough, Leicestershire, LE12 9BS.

**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 parent company, and are publicly available from 47 Ashby Road Central, Shepshed, Loughborough, Leicestershire, LE12 9BS.

**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.

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2023**

**2. ACCOUNTING POLICIES - continued**

**Property plant & equipment**

Property, plant and equipment assets are stated at cost less accumulated depreciation and accumulated impairment losses. 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

At each reporting date fixed assets 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.

**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.

**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.

**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 31 MARCH 2023**

**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.

**3. EMPLOYEES AND DIRECTORS**

	2023	2022
	£	£
Wages and salaries	4,750,246	4,574,080
Social security costs	530,804	484,183
Other pension costs	272,081	260,346
	<u>5,553,131</u>	<u>5,318,609</u>

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

	2023	2022
Office and management	21	20
Drivers and garage staff	<u>113</u>	<u>114</u>
	<u>134</u>	<u>134</u>

	2023	2022
	£	£
Directors' remuneration	68,083	59,322
Directors' pension contributions to money purchase schemes	<u>35,789</u>	<u>40,328</u>

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

	2023	2022
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.

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2023

## 4. OPERATING PROFIT

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

	2023	2022
	£	£
Depreciation - owned assets	1,495,513	1,834,004
Depreciation - assets on hire purchase contracts	845,549	489,947
Auditors' remuneration	9,400	10,802
Operating leases - Land and buildings	35,000	35,000
Exceptional item - profit on disposal of property, plant and equipment	<u>(611,239)</u>	<u>(631,956)</u>

## 5. EXCEPTIONAL ITEMS

Profit on disposal of property, plant and equipment has been noted as an exceptional item in the operating profit note. The company has classified certain one-off charges or credits that have a material impact on the company's financial results as 'exceptional items'. These are disclosed separately to provide further understanding of the financial performance of the company.

## 6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2023	2022
	£	£
Interest on overdue tax	535	-
Hire purchase interest	<u>77,155</u>	<u>42,943</u>
	<u>77,690</u>	<u>42,943</u>

## 7. TAXATION

## Analysis of the tax (credit)/charge

The tax (credit)/charge on the profit for the year was as follows:

	2023	2022
	£	£
Current tax:		
Adjustment re previous years	(337,796)	17
Group relief	<u>224,299</u>	<u>(512,259)</u>
Total current tax	<u>(113,497)</u>	<u>(512,242)</u>
Deferred tax	<u>46,834</u>	<u>907,752</u>
Tax on profit	<u>(66,663)</u>	<u>395,510</u>



NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2023

## 7. TAXATION - continued

**Reconciliation of total tax (credit)/charge included in profit and loss**

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

	2023 £	2022 £
Profit before tax	<u>1,709,730</u>	<u>1,527,179</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2022 - 19%)	324,849	290,164
Effects of:		
Expenses not deductible for tax purposes	8,183	6,522
Income not taxable for tax purposes	(116,135)	-
Capital allowances in excess of depreciation	-	(808,945)
Depreciation in excess of capital allowances	39,911	-
Utilisation of tax losses	(32,509)	-
Adjustments to tax charge in respect of previous periods	(337,796)	17
Deferred tax	<u>46,834</u>	<u>907,752</u>
Total tax (credit)/charge	<u>(66,663)</u>	<u>395,510</u>

## 8. INTANGIBLE FIXED ASSETS

**COST**

At 1 April 2022  
and 31 March 2023

**AMORTISATION**

At 1 April 2022  
and 31 March 2023

**NET BOOK VALUE**

At 31 March 2023  
At 31 March 2022

Goodwill  
£

60,000

60,000

-

-

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2023

## 9. PROPERTY, PLANT AND EQUIPMENT

	Lorries and trailers £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>					
At 1 April 2022	22,169,826	170,311	450,852	61,313	22,852,302
Additions	1,271,506	100,915	88,565	-	1,460,986
Disposals	(3,740,410)	(42,316)	(49,997)	-	(3,832,723)
At 31 March 2023	19,700,922	228,910	489,420	61,313	20,480,565
<b>DEPRECIATION</b>					
At 1 April 2022	11,878,848	125,821	167,143	57,985	12,229,797
Charge for year	2,235,095	23,615	81,604	748	2,341,062
Eliminated on disposal	(2,994,353)	(36,329)	(41,170)	-	(3,071,852)
At 31 March 2023	11,119,590	113,107	207,577	58,733	11,499,007
<b>NET BOOK VALUE</b>					
At 31 March 2023	8,581,332	115,803	281,843	2,580	8,981,558
At 31 March 2022	10,290,978	44,490	283,709	3,328	10,622,505

The net book value of tangible fixed assets includes £5,230,412 (2022 - £5,805,586 ) in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £845,549 (2022 - £489,947).

## 10. INVENTORIES

	2023 £	2022 £
Raw materials	153,979	133,000

## 11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Trade debtors	2,339,471	2,677,726
Amounts owed by group undertakings	2,032,262	3,321,824
Other debtors	702,729	155,142
Prepayments	487,221	495,105
	5,561,683	6,649,797

## 12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Hire purchase contracts (see note 14)	1,764,178	1,860,114
Trade creditors	1,498,408	1,523,134
Amounts owed to group undertakings	655,506	1,310,187
Other taxes and social security	695,675	378,351
Other creditors	19,287	92,182
Accrued expenses	254,413	186,629
	4,887,467	5,350,597

## 13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2023 £	2022 £
Hire purchase contracts (see note 14)	1,214,614	2,257,155

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2023**

**14. LEASING AGREEMENTS**

Minimum lease payments under hire purchase fall due as follows:

	2023 £	2022 £
Gross obligations repayable:		
Within one year	1,831,248	1,920,427
Between one and five years	<u>1,267,914</u>	<u>2,337,267</u>
	<u>3,099,162</u>	<u>4,257,694</u>
Finance charges repayable:		
Within one year	67,070	60,313
Between one and five years	<u>53,300</u>	<u>80,112</u>
	<u>120,370</u>	<u>140,425</u>
Net obligations repayable:		
Within one year	1,764,178	1,860,114
Between one and five years	<u>1,214,614</u>	<u>2,257,155</u>
	<u>2,978,792</u>	<u>4,117,269</u>

The hire purchase contracts relate to a number of lorries and trailers for the haulage industry. At the end of the lease, title passes to the company for a nominal fee.

**15. SECURED DEBTS**

The following secured debts are included within creditors:

	2023 £	2022 £
Hire purchase contracts	<u>2,978,792</u>	<u>4,117,269</u>

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

**16. FINANCIAL INSTRUMENTS**

The company has no financial assets or financial liabilities measured at fair value through profit or loss.

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 (2022: £nil) and £77,690 (2022: £42,943) respectively.

**17. PROVISIONS FOR LIABILITIES**

	2023 £	2022 £
Deferred tax		
Accelerated capital allowances	<u>1,426,383</u>	<u>1,379,549</u>
		Deferred tax
		£
Balance at 1 April 2022		1,379,549
Charge to Income Statement during year		<u>46,834</u>
Balance at 31 March 2023		<u>1,426,383</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2023**

**17. PROVISIONS FOR LIABILITIES - continued**

The expected net reversal of deferred tax liabilities in 2024 is not expected to be significant based on planned capital expenditure for the company.

**18. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2023 £	2022 £
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>

**19. RESERVES**

	Retained earnings £
At 1 April 2022	9,120,003
Profit for the year	<u>1,776,393</u>
At 31 March 2023	<u>10,896,396</u>

**20. 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 £272,081 (2022 - £260,346) and at the year end £8,902 (2022 - £10,275) was outstanding.

**21. ULTIMATE PARENT COMPANY**

The parent company is Fred Sherwood Group Limited, which is registered in England and Wales, and prepares consolidated accounts. The registered office of the parent company is the same as the company's registered office shown on the Company Information page.

**22. CONTINGENT LIABILITIES**

There are unlimited multilateral guarantees given by the company, eleven fellow subsidiary companies and the parent company for this year, in favour of HSBC Bank Plc. The total amount secured as at 31 March 2023, excluding this company, was £446,473 (2022 - £422,587).

**23. CAPITAL COMMITMENTS**

	2023 £	2022 £
Contracted but not provided for in the financial statements	<u>6,200,200</u>	<u>1,023,485</u>

**24. 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 (2022 - £35,000) was paid to the trustees under the terms of the lease. Two of the trustees of the scheme are directors of both the company and it's parent company, and three of the trustees are directors of the parent company.

Key management personnel compensation amounted to £110,949 (2022 - £104,775).

**25. ULTIMATE CONTROLLING PARTY**

The controlling party is A F Sherwood.

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.