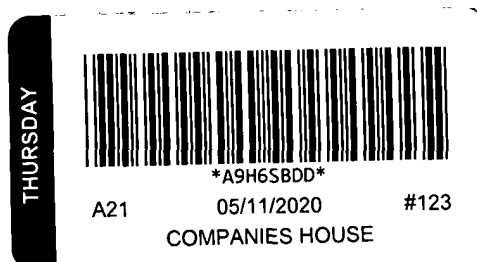


Suttons Transport Group Limited

Company Number 03246133

**Annual Report and Financial Statements – For the year ended
30 April 2020**



Suttons Transport Group Limited
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Suttons Transport Group Limited
Corporate directory

Directors	J M Sutton K Broom M P Cundy R A Sutton
Company secretary	N Wignall Jennings
Registered office	Gorsey Lane Widnes Cheshire WA8 0GG
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 1 Hardman Square Manchester M3 3EB
Bankers	HSBC Bank plc 99-101 Lord Street Liverpool Merseyside L2 6PG

Suttons Transport Group Limited
Strategic report
For the year ended 30 April 2020

The directors present the strategic report and the audited financial statements of Suttons Transport Group Limited (the Company) for the year ended 30 April 2020.

Review of the business and financial key performance indicators

The Company continued to operate as an intermediate holding company for the Group's primary activities.

Turnover decreased £0.1m to £3.3m in 2020. The operating loss, before exceptional items, remained at £2.1m, the same as in 2019. Net assets at the year end were £6.7m.

The Group's central overhead cost centres operate under the Company and revenue generated is as a result of the time spent by management and key staff across other Group subsidiaries.

Principal risks and uncertainties

The risks and uncertainties that could adversely impact the Company are related to the performance of its subsidiary Group companies and their ability to pay management fees and dividends to cover central costs. The principal risks and uncertainties to which those subsidiaries are exposed are:

Covid 19

Covid 19 affected the Group's operating model and financial performance beginning in China in late January 2020 and then gradually spreading across all operations over the following 3 months. The Group implemented its contingency plan, which meant that operational capability was maintained with all management, planning and administrative staff able to work from home. Measures were introduced to ensure that our driver workforce were able to continue to deliver a high level of service to our customers, whilst operating in a way which minimized the risk of infection.

The initial financial impact of Covid 19 was to reduce turnover in some areas of the business by up to 20% as demand for fuel, and related products, fell, and some manufacturing plants temporarily ceased to operate. Much of this volume has returned as facilities have reopened and new lines of business emerged moving products that were required to fight the pandemic.

Brexit

The direct impact of Brexit on the Group has been limited to short term fluctuations in demand around the two abortive exit dates. This led to peaks and troughs in demand before and after the dates and a short-term benefit from an increase in tank hire as customers increased stocks of product and raw material. A further short-term benefit may arise towards the end of the current calendar year depending upon the outcome of exit negotiations between the UK and the EU.

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

Foreign exchange risks

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

Financial risks

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

Suttons Transport Group Limited
Strategic report
30 April 2020

Future developments

The Company will continue to operate as an intermediate holding company for the Group's primary activities. The Company's operating subsidiaries have 5 year strategic plans which is focused on using technology, investing in new assets and developing their teams to deliver the highest levels of customer service and outstanding value of money. The focus in the international division for the next 12 months is on delivering training to all staff to embed the "Suttons Way" of operating consistently across its global operations, delivering ever improving service levels and improving internal and external management information to drive improved performance and efficiency. In the tankers division the roll out of mobile technology across its fleet allowing it to improve the service to customers whilst delivering efficiency improvements for the business is the immediate priority.

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

On behalf of the Directors



K Broom
Director

30th October 2020

Suttons Transport Group Limited
Directors' report
For the year ended 30 April 2020

The Directors present their report, together with the audited financial statements, on the Company for the year ended 30 April 2020.

Directors

The following persons were Directors of Suttons Transport Group Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

J M Sutton
K Broom
M P Cundy
R A Sutton
B McNally (resigned 29 November 2019)

Principal activities

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

Most of the Group's central overhead cost centres operate under the Company. The revenue generated is a result of the time spent by management and key staff across the other group subsidiaries which are recovered through recharges.

Review of operations

The loss for the Company after providing for income tax amounted to £1,613k (2019: £10,446k).

No interim dividends were paid. The directors do not recommend the payment of a final dividend (2019: £nil)

Future developments

Information on likely future developments of the Company are disclosed in the strategic report.

Equal opportunities

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

Employee engagement

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

Covid 19 has meant that the Group/Company has had to adapt the way it communicates with all colleagues due to restrictions on face to face meetings. The use of social media has increased with the introduction of an employee Facebook page, along with regular video briefings and blogs. The Group quarterly magazine, Teamtalk, has been made available as an online as well as physical publication and more regular engagement with union representatives has been implemented to ensure engagement and communication is maintained.

The Board acknowledges and thanks employees for the efforts they have made to keep the business operating effectively and delivering excellent customer service throughout the pandemic. Our drivers, technical and operational staff have continued to work on the front line in very difficult working conditions, in many cases moving products which have been essential to efforts to control the pandemic or to keep the wider community supplied with essential products. The Board also thanks those employees in management, clerical and support functions who have adapted to working from home to ensure that the front line operations had the support required to continue to deliver for our customers.

Suttons Transport Group Limited
Directors' report
30 April 2020

Sections presented in the Strategic Report

The future developments and financial risk management of the Group are discussed in the Strategic Report.

Indemnity of Directors

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

Disclosure of information to the auditors

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

Directors' responsibilities statement

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

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

In preparing these financial statements, the Directors are required to:

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

Independent Auditors

The auditors PricewaterhouseCoopers LLP continues in office.

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

On behalf of the Directors



K Broom
Director

30th October 2020

Independent auditors' report to the members of Suttons Transport Group Limited

Report on the audit of the financial statements

Opinion

In our opinion, Suttons Transport Group Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 30 April 2020; the statement of comprehensive income and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which 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.

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

Reporting on other information

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

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

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

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 30 April 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

Suttons Transport Group Limited
Independent auditor's report to the members of Suttons Transport Group Limited

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

In preparing the financial statements, the directors are responsible for assessing the 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 an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.



Kevin MacAllister (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester
30 October 2020

Suttons Transport Group Limited
Statement of comprehensive income
For the year ended 30 April 2020

	Note	2020 £'000	2019 £'000
Revenue			
Turnover	4	3,279	3,387
Expenses			
Administrative expenses		(5,416)	(5,460)
Exceptional income	12	<u>-</u>	<u>2,040</u>
Operating loss	5	(2,137)	(33)
Other interest receivable and similar income	8	179	99
Interest payable and similar expenses	9	-	(1)
Income from shares in group undertakings	10	<u>-</u>	<u>10,000</u>
(Loss)/profit before taxation		(1,958)	10,065
Tax on (loss)/profit	11	<u>345</u>	<u>381</u>
(Loss)/profit after taxation for the year		(1,613)	10,446
Other comprehensive (loss)/income for the year, net of tax		<u>-</u>	<u>-</u>
Total comprehensive (loss)/income for the year		<u><u>(1,613)</u></u>	<u><u>10,446</u></u>

The above statement of comprehensive income should be read in conjunction with the accompanying notes and are as a result of continuing operations

Suttons Transport Group Limited
Balance sheet
As at 30 April 2020

	Note	2020 £'000	2019 £'000
Fixed assets			
Tangible assets	13	507	604
Investments	14	30	30
Deferred tax	15	819	613
Total fixed assets		<u>1,356</u>	<u>1,247</u>
Current assets			
Debtors - amounts falling due within one year	16	11,019	10,718
Prepayments and accrued income	17	772	572
Cash and cash equivalents	18	2	2
Total current assets		<u>11,793</u>	<u>11,292</u>
Current liabilities			
Creditors - amounts falling due within one year	19	639	707
Borrowings - amounts falling due within one year	20	5,675	3,146
Accruals and deferred income	21	132	231
Total current liabilities		<u>6,446</u>	<u>4,084</u>
Net current assets		<u>5,347</u>	<u>7,208</u>
Total assets less current liabilities		<u>6,703</u>	<u>8,455</u>
Net assets before deferred tax liability		<u>6,703</u>	<u>8,455</u>
Deferred tax	22	-	139
Net assets		<u>6,703</u>	<u>8,316</u>
Equity			
Called up share capital	23	1	1
Retained earnings		<u>6,702</u>	<u>8,315</u>
Total equity		<u>6,703</u>	<u>8,316</u>



K Broom
 Director

30th October 2020

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

Suttons Transport Group Limited
Statement of changes in equity
For the year ended 30 April 2020

	Called up share capital £'000	(Accumulated losses)/ Retained earnings £'000	Total equity £'000
Balance at 1 May 2018	1	(2,177)	(2,176)
Profit after taxation for the year	-	10,446	10,446
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	10,446	10,446
<i>Transactions with owners in their capacity as owners:</i>			
Capital Contribution - Intercompany debt forgiveness	-	46	46
Balance at 30 April 2019	<u>1</u>	<u>8,315</u>	<u>8,316</u>
	Called up share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 May 2019	1	8,315	8,316
Loss after taxation for the year	-	(1,613)	(1,613)
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive loss for the year	-	(1,613)	(1,613)
Balance at 30 April 2020	<u>1</u>	<u>6,702</u>	<u>6,703</u>

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

Suttons Transport Group Limited
Notes to the financial statements
For the year ended 30 April 2020

1. General information

The financial statements cover Suttons Transport Group Limited as an individual entity. The financial statements are presented in Pound sterling, which is Suttons Transport Group Limited's functional and presentation currency.

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

Gorse Lane, Widnes, Cheshire WA8 0GG

A description of the nature of the Company's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

2. Significant accounting policies

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

Going concern

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

The Covid-19 pandemic has resulted in significant disruptions to global economic activities. The Impact on the Company was confined to the latter part of the financial year, with contracts and volumes showing some initial signs of decline as the impact gradually moved across the world. The Company took measures early during the pandemic to ensure that it could maintain its operations and meet customer demand whilst adhering to government guidelines and ensuring the safety of colleagues.

The initial financial impact of Covid 19 was to reduce turnover in some areas of the business as demand for fuel, and related products fell and some manufacturing plants temporarily ceased to operate. Much of this volume has returned as facilities have reopened and new lines of business emerged moving products that were required to fight the pandemic.

The Company took immediate steps to preserve cash, working with its banks and providers of asset finance to defer repayments of long-term debt, and accessing government support where this was available and it was appropriate to do so. Some staff members were also furloughed. This led to an increase in available liquidity to deal with any short and medium term consequences of the pandemic.

While the scale, duration and impact of Covid-19 on the global economy and the Company remain uncertain, the Directors are of the opinion that the Company's cash flow from operations and available facilities will continue to satisfy the Group/Company's working capital requirements for a period of at least twelve months from the date that these financial statements are approved.

Basis of preparation

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

Historical cost convention

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

Critical accounting estimates

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

Suttons Transport Group Limited
Notes to the financial statements
For the year ended 30 April 2020

2. Significant accounting policies (continued)

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 4 'Statement of Financial Position' paragraph 4.12(a)(iv);
- the requirements of section 7 'Statement of Cash Flows';
- the requirements of section 3 'Financial Statement Presentation' paragraph 3.17(d);
- the requirements of section 11 'Financial Instruments' paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of section 12 'Other Financial Instruments' paragraphs 11.26, 11.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of section 33 'Related Party Disclosures' paragraph 33.7.

This information is included in the consolidated financial statements of Thomas Cradley Group Holdings Limited as at 30 April 2020 and these financial statements may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

Exemption from preparing consolidated financial statements

The financial statements contain information about Suttons Transport Group Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent company. Further details are included in note 29.

Turnover

Turnover is recognised when it is probable that the economic benefit will flow to the consolidated entity and it can be reliably measured. Turnover is measured at the fair value of the consideration received or receivable for the provision of services provided before the balance sheet date, net of discounts, rebates, VAT and other sales taxes. The following criteria must be met before turnover is recognised:

- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Interest income

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

Income tax

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

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

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

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

Suttons Transport Group Limited
Notes to the financial statements
For the year ended 30 April 2020

2. Significant accounting policies (continued)

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

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

Current and non-current classification

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

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

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

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

Cash and cash equivalents

Cash at bank and in hand includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Debtors

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

Investments and other financial assets

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

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

Financial assets at fair value through other comprehensive income

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

Impairment of financial assets

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

Suttons Transport Group Limited
Notes to the financial statements
For the year ended 30 April 2020

2. Significant accounting policies (continued)

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

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

Investments in subsidiaries

Investments in subsidiaries are measured at cost less accumulated impairment.

Tangible assets

Tangible assets are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items, including in bringing the asset into location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the income statement during the period in which they are incurred.

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

Plant and equipment	10% - 33% per annum straight line basis
Fixtures and Fittings	20% per annum straight line basis
Motor vehicles	5.6% - 33% per annum straight line basis

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

An item of tangible assets is derecognised upon disposal or when there is no future economic benefit to the Company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Impairment of non-financial assets

At each reporting 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 assets belong.

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

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

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

Suttons Transport Group Limited
Notes to the financial statements
For the year ended 30 April 2020

2. Significant accounting policies (continued)

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

Creditors

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

Borrowings

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

Financial Instruments

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

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

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

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

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

Finance costs

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

Employee benefits

Short-term employee benefits

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

Termination benefits

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

Suttons Transport Group Limited
Notes to the financial statements
For the year ended 30 April 2020

2. Significant accounting policies (continued)

Defined contribution pension expense

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

Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

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

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

Fair value measurement

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

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

Called up share capital

Ordinary shares are classified as equity.

Value-Added Tax ('VAT') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated VAT, unless the VAT incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

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

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

Rounding of amounts

Amounts in this report have been rounded off to the nearest thousand pounds, or in certain cases, the nearest pound.

Exceptional items

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

Suttons Transport Group Limited
Notes to the financial statements
30 April 2020

3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. There are no critical accounting judgements, estimates and assumptions that are likely to affect the current or future financial years.

4. Turnover

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

	2020 £'000	2019 £'000
Intercompany recharge of management services	<u>3,279</u>	<u>3,387</u>

All turnover arose within the United Kingdom.

5. Operating loss

Operating loss is stated after charging:

	2020 £'000	2019 £'000
Depreciation of tangible assets	259	329
Exchange differences	4	3
Operating lease charges	41	48
Loss on disposal of tangible assets	-	16

6. Employees

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

	2020 Number	2019 Number
Other	<u>28</u>	<u>30</u>

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

	2020 £'000	2019 £'000
Wages and salaries	1,722	1,968
Social security costs	249	277
Other pension costs	<u>68</u>	<u>94</u>
Total employee benefits expense	<u>2,039</u>	<u>2,339</u>

Pension Commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company, in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £68k(2019: £94k).

Suttons Transport Group Limited
Notes to the financial statements
30 April 2020

7. Directors' remuneration

The emoluments below are those paid to directors in respect of qualifying services to the Company. Some of the directors are directors of other group companies and are remunerated through those companies, where their emoluments are disclosed. No recharge is made to this company and they did not receive any remuneration in respect of qualifying services to this company.

The company directors participate in a Long Term Incentive Plan (LTIP). The company directors have received shares in the company and are entitled to a share in the percentage of the growth in shareholder value of the Company, once the performance period and the 'hurdle trigger' are exceeded.

	2020 £'000	2019 £'000
Aggregate Directors' remuneration	1,071	1,303
Aggregate amounts of contributions to defined contribution pension schemes in respect of qualifying services	19	40
Highest paid director - aggregate remuneration	364	357
Highest paid director - Company contributions to defined pension scheme	8	9

During the year retirement benefits were accruing to 2 Director (2019: 4) in respect of defined contribution pension schemes.

8. Other interest receivable and similar income

	2020 £'000	2019 £'000
Interest on bank deposits	<u>179</u>	<u>99</u>

9. Interest payable and similar expenses

Interest on financial liabilities is measured at amortised cost:

	2020 £'000	2019 £'000
Interest on bank overdrafts and loans	<u>-</u>	<u>1</u>

10. Income from shares in group undertakings

	2020 £'000	2019 £'000
Dividend received from Sutton & Son (St Helen's) Limited	<u>-</u>	<u>10,000</u>

Suttons Transport Group Limited
Notes to the financial statements
For the year ended 30 April 2020

11. Tax on (loss)/profit

	2020 £'000	2019 £'000
<i>Corporation and deferred tax</i>		
Current corporation tax	-	-
Total current tax	-	-
Origination and reversal of timing differences	(39)	(109)
Adjustments in respect of prior years	(224)	(283)
Change to tax rates	(82)	11
Losses	-	-
Aggregate taxation	<u>(345)</u>	<u>(381)</u>
<i>Factors affecting tax charge/(credit) for the year</i>		
The tax assessed for the year is higher than (2019: lower than) the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%). The differences are explained below:	2020 £'000	2019 £'000
(Loss)/profit before taxation	<u>(1,958)</u>	<u>10,065</u>
Tax at the statutory tax rate of 19% (2019: 19%)	(372)	1,912
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Expenses not deductible for tax purposes	-	49
Income not taxable	-	(2,386)
Adjustments in respect of prior years	(224)	(283)
Tax rate changes	(82)	11
Effect of group relief	<u>333</u>	<u>316</u>
Tax on (loss)/profit	<u>(345)</u>	<u>(381)</u>

Factors that may affect future tax charges

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2016 (on 7 September 2016). These include reductions to the main rate to reduce the rate to 17% from 1 April 2020. Deferred taxes at the Balance Sheet date have been measured using this enacted tax rate and reflected in these financial statements.

12. Exceptional Income

	2020 £'000	2019 £'000
Gain on waiver of intercompany debt	<u>-</u>	<u>2,040</u>

During the year ended 30 April 2019 the Group undertook an exercise to simplify intercompany trading balances. As a result, intercompany debt owing of £2,040k was waived and credited to the income statement. The net impact across the Group was nil.

Suttons Transport Group Limited
Notes to the financial statements
For the year ended 30 April 2020

13. Tangible assets

	2020 £'000	2019 £'000
Plant and equipment - cost	2,787	2,712
Less: Accumulated depreciation	<u>(2,419)</u>	<u>(2,207)</u>
	368	505
Fixtures and fittings - cost	32	32
Less: Accumulated depreciation	<u>(15)</u>	<u>(8)</u>
	17	24
Motor vehicles	181	162
Less: Accumulated depreciation	<u>(59)</u>	<u>(87)</u>
	122	75
	<u>507</u>	<u>604</u>

Reconciliations

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

	Plant and machinery £'000	Fixtures and fittings £'000	Vehicles, tanks and containers £'000	Total £'000
Balance at 1 May 2018	623	18	98	739
Additions	201	11	-	212
Disposals	(18)	-	-	(18)
Depreciation expense	<u>(301)</u>	<u>(5)</u>	<u>(23)</u>	<u>(329)</u>
Balance at 30 April 2019	505	24	75	604
Additions	75	-	111	186
Disposals	-	-	(24)	(24)
Depreciation expense	<u>(212)</u>	<u>(7)</u>	<u>(40)</u>	<u>(259)</u>
Balance at 30 April 2020	<u>368</u>	<u>17</u>	<u>122</u>	<u>507</u>

14. Investments

	2020 £'000	2019 £'000
Investments in subsidiary companies	<u>30</u>	<u>30</u>

A full listing of subsidiary undertakings is included in note 28.

15. Deferred tax

	2020 £'000	2019 £'000
Deferred tax asset	<u>819</u>	<u>613</u>

The deferred tax asset set out above relates to accumulated losses and accelerated capital allowances and is expected to reverse within 2 years.

Suttons Transport Group Limited
Notes to the financial statements
For the year ended 30 April 2020

16. Debtors - amounts falling due within one year

	2020	2019
	£'000	£'000
Amounts owed by group undertakings	10,855	10,128
Other debtors	164	590
	<u>11,019</u>	<u>10,718</u>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

17. Prepayments and accrued income

	2020	2019
	£'000	£'000
Prepayments and accrued income	<u>772</u>	<u>572</u>

18. Cash and cash equivalents

	2020	2019
	£'000	£'000
Cash at bank	<u>2</u>	<u>2</u>

19. Creditors - amounts falling due within one year

	2020	2019
	£'000	£'000
Trade creditors	302	296
Amounts owed to group undertakings	-	324
Other taxation and social security	68	87
Other creditors	269	-
	<u>639</u>	<u>707</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

20. Borrowings - amounts falling due within one year

	2020	2019
	£'000	£'000
Bank loans and overdrafts	<u>5,675</u>	<u>3,146</u>

Amounts owed to group undertakings are interest free, unsecured and repayable on demand.

Suttons Transport Group Limited
Notes to the financial statements
30 April 2020

21. Accruals and deferred income

	2020 £'000	2019 £'000
Accruals and deferred income	<u>132</u>	<u>231</u>

22. Deferred tax

	2020 £'000	2019 £'000
Deferred tax liability	<u>-</u>	<u>139</u>

23. Called up share capital

	2020 Shares	2019 Shares	2020 £'000	2019 £'000
Ordinary shares £1.00 each - fully paid	<u>1,000</u>	<u>1,000</u>	<u>1</u>	<u>1</u>

24. Reserves

Retained earnings

The Retained earnings contains all current and prior year retained profit and loss, net of any distribution to owners.

25. Auditors' remuneration

During the financial year the following fees were paid or payable for services provided by the auditors of the Company:

	2020 £'000	2019 £'000
Audit of the financial statements	<u>3</u>	<u>3</u>

Fees payable to the Company's auditors for other services are disclosed in the consolidated financial statements of the Company's ultimate parent company, Thomas Cradley Group Holdings Limited.

26. Commitments

	2020 £'000	2019 £'000
<i>Lease commitments - operating</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	27	27
One to five years	<u>65</u>	<u>92</u>
	<u>92</u>	<u>119</u>

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

Suttons Transport Group Limited
Notes to the financial statements
30 April 2020

27. Related party transactions

The Company is exempt from disclosing related party transactions with other companies that are wholly owned within the Group and, under FRS 102, is exempt from disclosing the compensation of key management personnel. There are no other related party transactions requiring disclosure.

28. Interests in subsidiaries

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

Name	Registered Office	Principal activity	Holding %
Sutton & Son (St Helens) Limited	Gorse Lane, Widnes, Cheshire, WA8 0GG	Warehousing and Drumming	100%
Suttons Tankers Limited	Gorse Lane, Widnes, Cheshire, WA8 0GG	Road Haulage	100%
Imperial Tankers Limited	Gorse Lane, Widnes, Cheshire, WA8 0GG	Dormant	100%
Imperial Tankers (Management Limited)	Gorse Lane, Widnes, Cheshire, WA8 0GG	Dormant	100%
Suttons International Limited	Gorse Lane, Widnes, Cheshire, WA8 0GG	International Freight Forwarding	100%
Suttons International N.V. (Belgium)	North Trading Building, Noorderlaan, Antwerp, Belgium B 2030	Shipping and forwarding agents	100%
Suttons International (NA) INC	Bell Works Building 4, Floor 2, Suite 200, 101 Crawford Corner Road, Holmdel, New Jersey 07733 USA	Shipping and forwarding agents	100%
Suttons International GMBH	Speyerer Str. 56b, 67227, Frankenthal, Ludwigshafen, Germany	Shipping and forwarding agents	100%
Suttons International (Japan) KK	Room 203, Saito Bldg, 14-6 Kyobushi 3-chrome, Chuo-ku, Tokyo, Japan 104-003	Shipping and forwarding agents	51%
Suttons International PTE Ltd	456 Alexandria Road, 24-03 Fragrance Empire Building, Singapore 119962	Shipping and forwarding agents	100%
Suttons Tank Container Cleaning (Shanghai Ltd)	Unit D, 16th Floor Long Life Mansion, 1566 Yan An West Road, Shanghai 200052, China	Depot services	100%
Suttons International Freight Forwarding (Shanghai) Ltd	Unit D, 16th Floor Long Life Mansion, 1566 Yan An West Road, Shanghai 200052, China	Shipping and forwarding agents	100%
Hanchi Logistics Ltd	Unit D, 16th Floor Long Life Mansion, 1566 Yan An West Road, Shanghai 200052, China	Road Haulage	100%
I-Solutions Logistics Pte Ltd	53 Tuas Crescent #02.00, Singapore 638732	Logistics Services	-

The following subsidiaries were wound up prior to the year end:

Name	Registered Office	Principle activity	Holding
Suttons International SARL	20 Rue Des Quatres Saisons, 76290, Montivilliers, France	International Freight Forwarding	100%
IS Logistics PTE Ltd	53 Tuas Crescent #02.00 Singapore 638732	Logistics services	100%

Suttons Transport Group Limited
Notes to the financial statements
30 April 2020

29. Ultimate parent undertaking and controlling party

The immediate parent company is Thomas Cradley Holdings Limited, a company registered in England and Wales.

The Company is ultimately wholly owned by Thomas Cradley Group Holdings Limited, a Company registered in England Wales, which itself is owned by a series of trusts, with no single trust having a controlling interest. Members of the Sutton and Broadhurst families have beneficial interests through the trusts but no one family member has a controlling interest.

Thomas Cradley Group Holdings Limited prepares consolidated group financial statements, and is the smallest and largest company in the group to do so. Copies can be obtained from Companies House, Crown Way, Cardiff CF14 3UZ.