J.HAYWARD & SONS OF WALSALL LIMITED

Company registration number 00714218 (England and Wales)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

J.HAYWARD & SONS OF WALSALL LIMITED

COMPANY INFORMATION

Directors	Mr S B Hayward Mr P Radburn
Company number	00714218
Registered office	Portland Street Walsall Staffordshire WS2 8AD
Auditor	Dyke Yaxley Limited 1 Brassey Road Old Potts Way Shrewsbury Shropshire SY3 7FA

J.HAYWARD & SONS OF WALSALL LIMITED

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J.HAYWARD & SONS OF WALSALL LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2023

The directors present the strategic report for the year ended 30 June 2023.

Review of the business

All in all, we are very pleased with the result for our financial year ending June 2023, especially when one considers the acquisition of our new depot in Knowsley, Liverpool. This was effectively a "barn find", when you consider its locality and it being circa 4 acres in size, something we'd been looking for to finally give us an outside storage advantage, for both unladen and laden containers. Our year end result has to factor in the considerable cost outlaid in bringing our new flag ship depot up to a standard that would at last allow us to offer customers a bespoke service facility in the North West, which we are now seeing the advantage of having done so, giving us diversity and an additional storage revenue stream.

Once again, and despite the industry challenges with volumes settling down after the post Covid mayhem, we maintained a £20m turnover. During the financial year, we also continued our investment in the likes of FORS Gold, ISO 9001, and of course various improvements/investment/updates in areas of IT.

It's also important to point out, and as I mentioned in my previous strategic report for 2021/22, we are very proud to confirm that we continued all of our community support programmes

Finally, and again in line with our core values, our continued success with regards to focus on rewarding our workforce. This is our primary objective day by day, month by month, thus protecting our ambassadors in every way possible, namely having the flexibility for the business to adapt to any challenge.

To summarise, and taking all of the above into account, we are very pleased with the businesses performance, result, and strong position going into the new financial year.

Key performance indicators

The board monitors the progress of the Company with regard to a number of KPI's, a selection of these are detailed below:

	2023	2022	2021
Turnover	20,067,393	20,378,337	16,037,870
Gross profit	3,475,002	3,913,636	2,409,734
Gross profit margin	17%	19%	15%

On behalf of the board

Mr S B Hayward
Director

12 March 2024

J.HAYWARD & SONS OF WALSALL LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2023

The directors present their annual report and financial statements for the year ended 30 June 2023.

Principal activities
The principal activity of the company continued to be that of haulage and distribution.

Results and dividends
The results for the year are set out on page 7.

The directors have agreed to pay dividends on the Ordinary Shares of £nil (2022 - £nil) and Non Voting B Shares of £48,060 (2022 - £78,950).

Directors
The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr S B Hayward
Mr P Radburn

Auditor
The auditor, Dyke Yaxley Limited, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

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

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

On behalf of the board

Mr S B Hayward
Director

12 March 2024

J.HAYWARD & SONS OF WALSALL LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 JUNE 2023

The directors are responsible for preparing the annual 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 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.

J.HAYWARD & SONS OF WALSALL LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF J.HAYWARD & SONS OF WALSALL LIMITED

Opinion
We have audited the financial statements of J.Hayward & Sons of Walsall Limited (the 'company') for the year ended 30 June 2023 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF J.HAYWARD & SONS OF WALSALL LIMITED

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

Responsibilities of directors
As explained more fully in the directors' responsibilities statement, 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 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.

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF J.HAYWARD & SONS OF WALSALL LIMITED

Irregularities, including fraud, and instances of non-compliance with laws and regulations
We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

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

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates, and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud.

We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We focussed on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006, UK tax legislation and Vehicle and Operator Services Agency. Our tests included agreeing the financial statement disclosures to underlying supporting documentation, enquiries with management and review of operating licences.

There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

We did not identify any key audit matters relating to irregularities, including fraud.

As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

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

Use of our report
This report is made solely to the company's 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 an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Stacey Lea FCA
Senior Statutory Auditor
For and on behalf of Dyke Yaxley Limited

18 March 2024

Chartered Accountants
Statutory Auditor

1 Brassey Road
Old Potts Way
Shrewsbury
Shropshire
SY3 7FA

J.HAYWARD & SONS OF WALSALL LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023 £	2022 £
Turnover	3	20,067,393	20,378,337
Cost of sales		(16,592,391)	(16,464,701)
Gross profit		3,475,002	3,913,636
Administrative expenses		(2,863,661)	(3,030,616)
Operating profit	4	611,341	883,020
Interest payable and similar expenses	7	(88,506)	(50,109)
Profit before taxation		522,835	832,911
Tax on profit	8	(140,114)	(299,728)
Profit for the financial year		382,721	533,183

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

J.HAYWARD & SONS OF WALSALL LIMITED

BALANCE SHEET

AS AT 30 JUNE 2023

		2023		2022	
	Notes	**£**	**£**	**£**	**£**
Fixed assets					
Tangible assets	**11**		3,702,764		3,463,770
Investment property	**12**		247,123		-
			3,949,887		3,463,770
Current assets					
Stocks	**13**	42,799		35,446	
Debtors	**14**	3,618,961		4,174,065	
Cash at bank and in hand		1,154,064		1,322,781	
		4,815,824		5,532,292	
Creditors: amounts falling due within one year	**15**	(3,404,914)		(4,010,035)	
Net current assets			1,410,910		1,522,257
Total assets less current liabilities			5,360,797		4,986,027
Creditors: amounts falling due after more than one year	**16**		(1,470,762)		(1,566,095)
Provisions for liabilities					
Deferred tax liability	**19**	710,473		575,031	
			(710,473)		(575,031)
Net assets			3,179,562		2,844,901
Capital and reserves					
Called up share capital	**21**		7,131		7,131
Profit and loss reserves	**22**		3,172,431		2,837,770
Total equity			3,179,562		2,844,901

The financial statements were approved by the board of directors and authorised for issue on 12 March 2024 and are signed on its behalf by:

Mr S B Hayward
Director

Company Registration No. 00714218

J.HAYWARD & SONS OF WALSALL LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2023

	Notes	Share capital	Profit and loss reserves	Total
		£	£	£
Balance at 1 July 2021		7,131	2,383,537	2,390,668
Year ended 30 June 2022:				
Profit and total comprehensive income for the year		-	533,183	533,183
Dividends	**9**	-	(78,950)	(78,950)
Balance at 30 June 2022		7,131	2,837,770	2,844,901
Year ended 30 June 2023:				
Profit and total comprehensive income for the year		-	382,721	382,721
Dividends	**9**	-	(48,060)	(48,060)
Balance at 30 June 2023		7,131	3,172,431	3,179,562

J.HAYWARD & SONS OF WALSALL LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023 £	2023 £	2022 £	2022 £
Cash flows from operating activities					
Cash generated from operations	**29**		612,275		1,376,262
Interest paid			(88,506)		(50,109)
Income taxes paid			(22,566)		(33,142)
Net cash inflow from operating activities			501,203		1,293,011
Investing activities					
Purchase of tangible fixed assets		(188,663)		(38,261)	
Proceeds on disposal of tangible fixed assets		743,449		88,000	
Purchase of investment property		(247,123)		-	
Movements on other loans		44,922		20,950	
Net cash generated from investing activities			352,585		70,689
Financing activities					
Repayment of bank loans		(151,085)		(129,049)	
Payment of finance leases obligations		(823,360)		(706,593)	
Dividends paid		(48,060)		(78,950)	
Net cash used in financing activities			(1,022,505)		(914,592)
Net (decrease)/increase in cash and cash equivalents			(168,717)		449,108
Cash and cash equivalents at beginning of year			1,322,781		873,673
Cash and cash equivalents at end of year			1,154,064		1,322,781

1 Accounting policies

Company information
J.Hayward & Sons of Walsall Limited is a private company limited by shares incorporated in England and Wales. The registered office is Portland Street, Walsall, Staffordshire, WS2 8AD.

1.1 Accounting convention

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

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 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.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

1.4 Tangible fixed assets

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

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

Land and buildings Freehold	No depreciation
Plant and machinery	20% pa straight line basis
Fixtures, fittings & equipment	33% pa straight line basis
Motor vehicles	8% / 13% / 17% / 25% pa straight line basis

The directors consider that freehold properties are maintained in such a state of repair that their residual value is at least equal to their net book value. As a result, the corresponding depreciation would not be material and therefore is not charged in the profit or loss account. The directors perform annual impairment reviews in accordance with requirements of FRS 15 and FRS 11 to ensure that the carrying value is not higher than the recoverable amount.

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

1 Accounting policies **(Continued)**

1.5 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in profit or loss.

1.6 Impairment of fixed assets

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

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

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

1.8 Cash and cash equivalents

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

1.9 Financial instruments

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

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

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

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Taxation

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

Current tax

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

1 Accounting policies **(Continued)**

Deferred tax

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

1.12 Employee benefits

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

1.13 Retirement benefits

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

1.14 Leases

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

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

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

1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Judgements and key sources of estimation uncertainty

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

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

3 Turnover

An analysis of the company's turnover is as follows:

	2023	2022
	£	£
Turnover analysed by class of business		
Haulage	15,214,701	16,092,723
Sub - Contract Haulage	3,977,800	3,812,391
Other	874,892	473,223
	20,067,393	20,378,337

4 Operating profit

	2023	2022
Operating profit for the year is stated after charging/(crediting):	£	£
Fees payable to the company's auditor for the audit of the company's financial statements	11,825	10,750
Depreciation of owned tangible fixed assets	239,252	211,258
Depreciation of tangible fixed assets held under finance leases	303,275	212,599
Impairment of owned tangible fixed assets	208,902	-
Profit on disposal of tangible fixed assets	(519,413)	(45,587)
Operating lease charges	1,530,476	1,284,046

5 Employees

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

	2023	2022
	Number	Number
Directors	2	2
Office	29	26
Garage	6	8
Drivers	38	30
Cleaner	1	1
Yard	4	3
Total	80	70

Their aggregate remuneration comprised:

	2023	2022
	£	£
Wages and salaries	7,278,214	7,975,287
Pension costs	110,524	220,027
	7,388,738	8,195,314

6 Directors' remuneration

	2023	2022
	£	£
Remuneration for qualifying services	285,491	336,117
Company pension contributions to defined contribution schemes	38,861	157,948
	324,352	494,065

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2022 - 2).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2023	2022
	£	£
Remuneration for qualifying services	152,775	129,948
Company pension contributions to defined contribution schemes	34,584	63,898

7 Interest payable and similar expenses

	2023	2022
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	45,514	24,849
Other finance costs:		
Interest on finance leases and hire purchase contracts	42,992	25,260
	88,506	50,109

8 Taxation

	2023	2022
	£	£
Current tax		
UK corporation tax on profits for the current period	4,672	22,566
Deferred tax		
Origination and reversal of timing differences	135,442	277,162
Total tax charge	140,114	299,728

8 Taxation **(Continued)**

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

	2023	2022
	£	£
Profit before taxation	522,835	832,911
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2022: 19.00%)	99,339	158,253
Tax effect of expenses that are not deductible in determining taxable profit	70,959	18,075
Tax effect of income not taxable in determining taxable profit	(98,689)	-
Permanent capital allowances in excess of depreciation	(118,803)	(18,808)
Depreciation on assets not qualifying for tax allowances	-	1,647
Deferred tax charge	135,442	140,561
Chargeable gains	51,866	-
Taxation charge for the year	140,114	299,728

9 Dividends

	2023	2022
	£	£
Interim paid	48,060	78,950

10 Impairments

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

		2023	2022
	Notes	£	£
In respect of:			
Property, plant and equipment	**11**	208,902	-
Recognised in:			
Administrative expenses		208,902	-

11 Tangible fixed assets

	Land and buildings Freehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 July 2022	888,098	148,765	440,503	4,143,585	5,620,951
Additions	-	-	188,662	1,025,797	1,214,459
Disposals	(116,985)	(30,000)	(2,833)	(439,350)	(589,168)
At 30 June 2023	771,113	118,765	626,332	4,730,032	6,246,242
Depreciation and impairment					
At 1 July 2022	-	94,610	224,130	1,838,441	2,157,181
Depreciation charged in the year	-	11,955	121,461	409,111	542,527
Impairment losses	208,902	-	-	-	208,902
Eliminated in respect of disposals	-	(30,000)	-	(335,132)	(365,132)
At 30 June 2023	208,902	76,565	345,591	1,912,420	2,543,478
Carrying amount					
At 30 June 2023	562,211	42,200	280,741	2,817,612	3,702,764
At 30 June 2022	888,098	54,155	216,373	2,305,144	3,463,770

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

	2023	2022
	£	£
Plant and machinery	31,033	52,269
Motor vehicles	2,881,102	1,781,995
	2,912,135	1,834,264

More information on impairment movements in the year is given in note 10.

12 Investment property

	2023
	£
Fair value	
At 1 July 2022	-
Additions through external acquisition	247,123
At 30 June 2023	247,123

Management have assessed the fair value at the year end and believe it has not materially changed from when it was purchased during the year.

13 Stocks

	2023	2022
	£	£
Finished goods and goods for resale	42,799	35,446

14 Debtors

	2023	2022
Amounts falling due within one year:	£	£
Trade debtors	2,387,373	3,022,081
Corporation tax recoverable	480	480
Other debtors	386,735	349,446
Prepayments and accrued income	844,373	802,058
	3,618,961	4,174,065

15 Creditors: amounts falling due within one year

		2023	2022
	Notes	£	£
Bank loans	17	144,525	140,622
Obligations under finance leases	18	705,654	562,873
Trade creditors		2,332,165	2,870,667
Corporation tax		4,672	22,566
Other taxation and social security		80,843	76,430
Other creditors		22,744	21,218
Accruals and deferred income		114,311	315,659
		3,404,914	4,010,035

Obligations under hire purchase agreements are secured on the assets concerned.

16 Creditors: amounts falling due after more than one year

		2023	2022
	Notes	£	£
Bank loans and overdrafts	17	584,369	739,357
Obligations under finance leases	18	886,393	826,738
		1,470,762	1,566,095

Amounts included above which fall due after five years are as follows:

	2023	2022
Payable by instalments	181,270	211,258

17 Loans and overdrafts

	2023	2022
	£	£
Bank loans	728,894	879,979
Payable within one year	144,525	140,622
Payable after one year	584,369	739,357

The bank loans and overdrafts are secured by charges over the assets of the company.

The company has a loan with RBS of £403,894 (2022 - £433,882). The loan is repayable over the period until 2032. The interest rate on the loan is UK base rate plus 2.17%.

The company also has a CBILS loan of £325,000 (2022 - £425,000). The interest rate on the loan is UK base rate plus 2.96%.

18 Finance lease obligations

	2023	2022
Future minimum lease payments due under finance leases:	£	£
Within one year	705,654	562,873
In two to five years	886,393	826,738
	1,592,047	1,389,611

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 4 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

19 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2023	Liabilities 2022
Balances:	£	£
ACAs	710,473	575,031

19 Deferred taxation (Continued)

Movements in the year:	2023 £
Liability at 1 July 2022	575,031
Charge to profit or loss	135,442
Liability at 30 June 2023	710,473

The deferred tax liability set out above is expected to reverse within 5 - 10 years and relates to accelerated capital allowances that are expected to mature within the same period.

20 Retirement benefit schemes

Defined contribution schemes	2023 £	2022 £
Charge to profit or loss in respect of defined contribution schemes	110,524	220,027

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

21 Share capital

	2023 £	2022 £
Ordinary share capital		
Issued and fully paid		
7,031 Ordinary shares of £1 each	7,031	7,031
100 B Non voting shares of £1 each	100	100
	7,131	7,131

Ordinary Shares

Each Ordinary share carries the right of a single vote; ranks equally for any dividend declared and carries the right to participate in a distribution on winding up. Ordinary shares are not redeemable.

B Non Voting Shares

Each B Non Voting share carries no right to vote at any meeting of the company; ranks equally for any dividend declared and carries the right to participate in a distribution on winding up. B Non Voting shares are not redeemable

22 Profit and loss reserves

This reserve includes all current and prior period retained profit and losses.

23 Financial commitments, guarantees and contingent liabilities

The company has provided an unlimited guarantee in respect of the bank borrowing of Anaheim Transport Limited (formerly Zedex Transport Limited) which is a company under the same family control.

24 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023	2022
	£	£
Within one year	710,845	545,918
Between two and five years	642,024	308,970
	1,352,869	854,888

25 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2023	2022
	£	£
Acquisition of tangible fixed assets	-	400,000

26 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2023	2022
	£	£
Aggregate compensation	345,051	257,519

26 Related party transactions **(Continued)**

Transactions with related parties

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

	Services received		Services provided	
	2023	2022	2023	2022
	£	£	£	£
Entities controlled, jointly controlled or under significant influence by a related person	670,135	622,503	350,002	231,995

The following amounts were outstanding at the reporting end date:

Amounts owed to entities controlled, jointly controlled or under significant influence by a related person are £63,800 (20 22 - £88,961).

The following amounts were outstanding at the reporting end date:

Amounts owed by entities controlled, jointly controlled or under significant influence by a related person £47,195 (2022 - £40,140).

27 Directors' transactions

The company made interest free loans to the directors and the balance as at 30 June 2023 was £nil (2022 - £44,922).

28 Ultimate controlling party

The company is under the control of the Hayward family.

29 Cash generated from operations

	2023	2022
	£	£
Profit for the year after tax	382,721	533,183
Adjustments for:		
Taxation charged	140,114	299,728
Finance costs	88,506	50,109
Gain on disposal of tangible fixed assets	(519,413)	(45,587)
Depreciation and impairment of tangible fixed assets	751,429	423,857
Movements in working capital:		
Increase in stocks	(7,353)	(6,004)
Decrease/(increase) in debtors	510,182	(806,817)
(Decrease)/increase in creditors	(733,911)	927,793
Cash generated from operations	612,275	1,376,262

30 Analysis of changes in net debt

	1 July 2022	Cash flows	New finance leases	30 June 2023
	£	£	£	£
Cash at bank and in hand	1,322,781	(168,717)	-	1,154,064
Borrowings excluding overdrafts	(879,979)	151,085	-	(728,894)
Obligations under finance leases	(1,389,611)	823,360	(1,025,796)	(1,592,047)
	(946,809)	805,728	(1,025,796)	(1,166,877)