

J.HAYWARD & SONS OF WALSALL LIMITED

Company registration number 00714218 (England and Wales)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

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 2024

The directors present the strategic report for the year ended 30 June 2024.

Review of the business

The Director's assessment of 2024 is overall, the business ended the year in a strong position. The first half of the year saw strong trading results, which were, then challenged, as all hauliers were with the events in the Red Sea in November 2023.

The Directors assessment of the financial year ending June 2024 was overall, that the business ended the financial year in a strong position. The first half of the financial year saw strong trading results. however the economy was hit hard after the news broke regarding the shipping lines refusal to travel through the Suez Canal. The impact of subsequently diverting around the Cape of Good Hope to avoid being targeted, meant longer transit times and a significant hike in freight rates, which hit the UK export and import trade extremely hard.

However, the Company reacted extremely well in the face of adversity, adopting its diversity and flexibility business model. We moved very quickly to adapt, shifting the impetus over from our container haulage department to our general haulage operation, which was seamless and proved very fruitful indeed.

We also continued our focus on recruitment, with business development at the forefront, something that we're seeing an excellent return on having won significant Blue-Chip business.

Haywards has retained its FORS Gold, along with every other accreditation, and is investing heavily in sustainability.

The trading results show a drop in Profit Before Tax with a result of £228k (2023: £523k) but our cash generation from operations was up by 87% to £935k (2023: £501k). This has served us well with maintaining a healthy balance of working capital to allow us to continue seeking new opportunities.

The challenges we faced in the mid-point of our year were met with a robust team approach and our ability to be flexible has once again placed us well in a competitive market where we continue to deliver services to the highest standards.

The year to June 2024 saw us end the year with a very strong platform and this has seen a very positive start to FY2025. The Directors are seeing the business continuing to diversify the customer base and see returns on the strategic investment made in FY2023 in taking on the depot in Knowsley. As a Board, we are really pleased with our position and excited about the opportunities that we are bring into the Company during 2025.

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:

	2024	2023	2022
Turnover	19,550,793	20,067,393	20,378,337
Gross profit	3,778,984	3,475,002	3,913,636
Gross profit margin	19%	17%	19%

On behalf of the board

.....
Mr S B Hayward
Director

Date:

J.HAYWARD & SONS OF WALSALL LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2024

The directors present their annual report and financial statements for the year ended 30 June 2024.

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 (2023 - £nil) and Non Voting B Shares of £24,450 (2023 - £48,060).

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.

Medium-sized companies exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the medium-sized companies exemption.

On behalf of the board

Mr S B Hayward

Director

24 March 2025

J.HAYWARD & SONS OF WALSALL LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 JUNE 2024

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 2024 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 2024 and of its loss 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.

J.HAYWARD & SONS OF WALSALL LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF J.HAYWARD & SONS OF WALSALL LIMITED (CONTINUED)

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.

J.HAYWARD & SONS OF WALSALL LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF J.HAYWARD & SONS OF WALSALL LIMITED (CONTINUED)

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

24 March 2025

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 2024

	Notes	2024 £	2023 £
Turnover	3	19,550,793	20,067,393
Cost of sales		(15,771,809)	(16,592,391)
Gross profit		<u>3,778,984</u>	<u>3,475,002</u>
Administrative expenses		(3,461,682)	(2,863,661)
Operating profit	4	<u>317,302</u>	<u>611,341</u>
Interest receivable and similar income	7	19,296	-
Interest payable and similar expenses	8	(108,778)	(88,506)
Profit before taxation		<u>227,820</u>	<u>522,835</u>
Tax on profit	9	(247,989)	(140,114)
(Loss)/profit for the financial year		<u><u>(20,169)</u></u>	<u><u>382,721</u></u>

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 2024

		2024		2023	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	12		4,148,467		3,702,764
Investment property	13		247,123		247,123
			<u>4,395,590</u>		<u>3,949,887</u>
Current assets					
Stocks	14	-		42,799	
Debtors	15	4,152,638		3,618,961	
Cash at bank and in hand		1,005,210		1,154,064	
		<u>5,157,848</u>		<u>4,815,824</u>	
Creditors: amounts falling due within one year	16	(4,138,876)		(3,404,914)	
Net current assets			<u>1,018,972</u>		<u>1,410,910</u>
Total assets less current liabilities			<u>5,414,562</u>		<u>5,360,797</u>
Creditors: amounts falling due after more than one year	17		(1,321,157)		(1,470,762)
Provisions for liabilities					
Deferred tax liability	20	958,462		710,473	
		<u>(958,462)</u>		<u>(710,473)</u>	
Net assets			<u><u>3,134,943</u></u>		<u><u>3,179,562</u></u>
Capital and reserves					
Called up share capital	22		7,131		7,131
Profit and loss reserves	23		3,127,812		3,172,431
Total equity			<u><u>3,134,943</u></u>		<u><u>3,179,562</u></u>

These financial statements have been prepared in accordance with the provisions relating to medium-sized companies.

The financial statements were approved by the board of directors and authorised for issue on 24 March 2025 and are signed on its behalf by:

Mr S B Hayward
Director

Company registration number 00714218 (England and Wales)

J.HAYWARD & SONS OF WALSALL LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2024

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
Balance at 1 July 2022		7,131	2,837,770	2,844,901
Year ended 30 June 2023:				
Profit and total comprehensive income		-	382,721	382,721
Dividends	10	-	(48,060)	(48,060)
Balance at 30 June 2023		7,131	3,172,431	3,179,562
Year ended 30 June 2024:				
Loss and total comprehensive income		-	(20,169)	(20,169)
Dividends	10	-	(24,450)	(24,450)
Balance at 30 June 2024		7,131	3,127,812	3,134,943

J.HAYWARD & SONS OF WALSALL LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2024

		2024	2023
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	29	1,048,352	612,275
Interest paid		(108,778)	(88,506)
Income taxes paid		(4,614)	(22,566)
Net cash inflow from operating activities		<u>934,960</u>	<u>501,203</u>
Investing activities			
Purchase of tangible fixed assets		(89,261)	(188,663)
Proceeds on disposal of tangible fixed assets		9,866	743,449
Purchase of investment property		-	(247,123)
Movements on other loans		-	44,922
Interest received		19,296	-
Net cash (used in)/generated from investing activities		<u>(60,099)</u>	<u>352,585</u>
Financing activities			
Repayment of bank loans		(128,460)	(151,085)
Payment of finance leases obligations		(871,546)	(823,360)
Dividends paid		(24,450)	(48,060)
Net cash used in financing activities		<u>(1,024,456)</u>	<u>(1,022,505)</u>
Net decrease in cash and cash equivalents		<u>(149,595)</u>	<u>(168,717)</u>
Cash and cash equivalents at beginning of year		<u>1,154,064</u>	<u>1,322,781</u>
Cash and cash equivalents at end of year		<u><u>1,004,469</u></u>	<u><u>1,154,064</u></u>
Relating to:			
Cash at bank and in hand		1,005,210	1,154,064
Bank overdrafts included in creditors payable within one year		<u>(741)</u>	<u>-</u>

J.HAYWARD & SONS OF WALSALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

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.

J.HAYWARD & SONS OF WALSALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2024

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.

Other financial assets

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

J.HAYWARD & SONS OF WALSALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2024

1 Accounting policies

(Continued)

Impairment of financial assets

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

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

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

Derecognition of financial assets

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

Other financial liabilities

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

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

Derecognition of financial liabilities

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

1.10 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.

J.HAYWARD & SONS OF WALSALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2024

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.

The directors consider there are no critical judgements that they made have made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

J.HAYWARD & SONS OF WALSALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2024

2 Judgements and key sources of estimation uncertainty

(Continued)

Key sources of estimation uncertainty

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

Bad debt provision

The bad debt provision is based upon the time taken to recover debts. This is based on the ageing category that the debtors fall within based on the credit terms offered.

3 Turnover and other revenue

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

	2024 £	2023 £
Turnover analysed by class of business		
Haulage	14,662,882	15,214,701
Sub - Contract Haulage	3,896,083	3,977,800
Other	991,828	874,892
	<u>19,550,793</u>	<u>20,067,393</u>

	2024 £	2023 £
Other revenue		
Interest income	19,296	-
	<u>19,296</u>	<u>-</u>

4 Operating profit

	2024 £	2023 £
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	14,000	11,825
Depreciation of owned tangible fixed assets	627,651	239,252
Depreciation of tangible fixed assets held under finance leases	-	303,275
Impairment of owned tangible fixed assets	-	208,902
Profit on disposal of tangible fixed assets	(8,620)	(519,413)
Operating lease charges	1,522,242	1,530,476
	<u>1,522,242</u>	<u>1,530,476</u>

J.HAYWARD & SONS OF WALSALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2024

5 Employees

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

	2024 Number	2023 Number
Directors	2	2
Office	26	29
Garage	7	6
Drivers	25	38
Cleaner	1	1
Yard	6	4
Total	67	80

Their aggregate remuneration comprised:

	2024 £	2023 £
Wages and salaries	7,074,508	7,278,214
Pension costs	96,405	110,524
	7,170,913	7,388,738

6 Directors' remuneration

	2024 £	2023 £
Remuneration for qualifying services	195,393	285,491
Company pension contributions to defined contribution schemes	30,862	38,861
	226,255	324,352

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2023 - 2).

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

	2024 £	2023 £
Remuneration for qualifying services	n/a	152,775
Company pension contributions to defined contribution schemes	n/a	34,584

As total directors' remuneration was less than £200,000 in the current year, no disclosure is provided for that year.

J.HAYWARD & SONS OF WALSALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2024

7 Interest receivable and similar income

	2024	2023
	£	£
Interest income		
Interest on bank deposits	19,296	-
	<u>19,296</u>	<u>-</u>

	2024	2023
	£	£
Investment income includes the following:		
Interest on financial assets not measured at fair value through profit or loss	19,296	-
	<u>19,296</u>	<u>-</u>

8 Interest payable and similar expenses

	2024	2023
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	51,566	45,514
Other finance costs:		
Interest on finance leases and hire purchase contracts	57,212	42,992
	<u>108,778</u>	<u>88,506</u>

9 Taxation

	2024	2023
	£	£
Current tax		
UK corporation tax on profits for the current period	-	4,672
	<u>-</u>	<u>4,672</u>
Deferred tax		
Origination and reversal of timing differences	247,989	135,442
	<u>247,989</u>	<u>135,442</u>
Total tax charge	<u>247,989</u>	<u>140,114</u>

J.HAYWARD & SONS OF WALSALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2024

9 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:

	2024 £	2023 £
Profit before taxation	227,820	522,835
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2023: 19.00%)	43,286	99,339
Tax effect of expenses that are not deductible in determining taxable profit	33,460	70,959
Tax effect of income not taxable in determining taxable profit	(2,084)	(98,689)
Permanent capital allowances in excess of depreciation	(74,662)	(118,803)
Deferred tax charge	247,989	135,442
Chargeable gains	-	51,866
Taxation charge for the year	247,989	140,114

10 Dividends

	2024 £	2023 £
Interim paid	24,450	48,060

11 Impairments

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

	Notes	2024 £	2023 £
In respect of:			
Property, plant and equipment	12	-	208,902
Recognised in:			
Administrative expenses		-	208,902

J.HAYWARD & SONS OF WALSALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2024

12 Tangible fixed assets

	Land and buildings Freehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 July 2023	771,113	118,765	626,332	4,730,032	6,246,242
Additions	59,597	19,000	10,664	985,339	1,074,600
Disposals	-	-	(2,833)	(111,931)	(114,764)
At 30 June 2024	830,710	137,765	634,163	5,603,440	7,206,078
Depreciation and impairment					
At 1 July 2023	208,902	76,565	345,591	1,912,420	2,543,478
Depreciation charged in the year	-	11,480	150,225	465,946	627,651
Eliminated in respect of disposals	-	-	(1,587)	(111,931)	(113,518)
At 30 June 2024	208,902	88,045	494,229	2,266,435	3,057,611
Carrying amount					
At 30 June 2024	621,808	49,720	139,934	3,337,005	4,148,467
At 30 June 2023	562,211	42,200	280,741	2,817,612	3,702,764

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

	2024 £	2023 £
Plant and machinery	-	31,033
Motor vehicles	2,146,810	2,881,102
	2,146,810	2,912,135

More information on impairment movements in the year is given in note 11.

13 Investment property

	2024 £
Fair value	
At 1 July 2023 and 30 June 2024	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.

J.HAYWARD & SONS OF WALSALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2024

14 Stocks

	2024 £	2023 £
Finished goods and goods for resale	-	42,799

15 Debtors

	2024 £	2023 £
Amounts falling due within one year:		
Trade debtors	2,826,030	2,387,373
Corporation tax recoverable	422	480
Other debtors	573,289	386,735
Prepayments and accrued income	752,897	844,373
	<u>4,152,638</u>	<u>3,618,961</u>

16 Creditors: amounts falling due within one year

	Notes	2024 £	2023 £
Bank loans and overdrafts	18	157,837	144,525
Obligations under finance leases	19	828,021	705,654
Trade creditors		2,751,943	2,332,165
Corporation tax		-	4,672
Other taxation and social security		87,859	80,843
Other creditors		77,545	22,744
Accruals and deferred income		235,671	114,311
		<u>4,138,876</u>	<u>3,404,914</u>

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

17 Creditors: amounts falling due after more than one year

	Notes	2024 £	2023 £
Bank loans and overdrafts	18	443,338	584,369
Obligations under finance leases	19	877,819	886,393
		<u>1,321,157</u>	<u>1,470,762</u>

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

Payable by instalments	89,954	181,270
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J.HAYWARD & SONS OF WALSALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2024

18 Loans and overdrafts

	2024 £	2023 £
Bank loans	600,434	728,894
Bank overdrafts	741	-
	<u>601,175</u>	<u>728,894</u>
Payable within one year	157,837	144,525
Payable after one year	<u>443,338</u>	<u>584,369</u>

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

The company has a loan with RBS of £375,434 (2023 - £403,894). 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 £225,000 (2023 - £325,000). The interest rate on the loan is UK base rate plus 2.96%.

19 Finance lease obligations

	2024 £	2023 £
Future minimum lease payments due under finance leases:		
Within one year	828,021	705,654
In two to five years	<u>877,819</u>	<u>886,393</u>
	<u>1,705,840</u>	<u>1,592,047</u>

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

20 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 2024 £	Liabilities 2023 £
Balances:		
ACAs	<u>958,462</u>	<u>710,473</u>

J.HAYWARD & SONS OF WALSALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2024

20 Deferred taxation (Continued)

	2024
	£
Movements in the year:	
Liability at 1 July 2023	710,473
Charge to profit or loss	247,989
Liability at 30 June 2024	958,462

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.

21 Retirement benefit schemes

	2024	2023
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	96,405	110,524

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.

22 Share capital

	2024	2023
	£	£
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.

23 Profit and loss reserves

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

J.HAYWARD & SONS OF WALSALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2024

24 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.

25 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:

	2024	2023
	£	£
Within one year	575,289	710,845
Between two and five years	625,349	642,024
	<u>1,200,638</u>	<u>1,352,869</u>

26 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2024	2023
	£	£
Aggregate compensation	<u>291,359</u>	<u>345,051</u>

J.HAYWARD & SONS OF WALSALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2024

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	
	2024	2023	2024	2023
	£	£	£	£
Entities controlled, jointly controlled or under significant influence by a related person	325,023	670,135	272,285	350,002

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 £70,573 (2023 - £63,800).

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 £66,223 (2023 - £47,195).

27 Directors' transactions

28 Ultimate controlling party

The company is under the control of the Hayward family.

29 Cash generated from operations

	2024	2023
	£	£
(Loss)/profit for the year after tax	(20,169)	382,721
Adjustments for:		
Taxation charged	247,989	140,114
Finance costs	108,778	88,506
Investment income	(19,296)	-
Gain on disposal of tangible fixed assets	(8,620)	(519,413)
Depreciation and impairment of tangible fixed assets	627,651	751,429
Movements in working capital:		
Decrease/(increase) in stocks	42,799	(7,353)
(Increase)/decrease in debtors	(533,735)	510,182
Increase/(decrease) in creditors	602,955	(733,911)
Cash generated from operations	1,048,352	612,275

J.HAYWARD & SONS OF WALSALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2024

30 Analysis of changes in net debt

	1 July 2023	Cash flows	New finance leases	30 June 2024
	£	£	£	£
Cash at bank and in hand	1,154,064	(148,854)	-	1,005,210
Bank overdrafts	-	(741)	-	(741)
	<u>1,154,064</u>	<u>(149,595)</u>	<u>-</u>	<u>1,004,469</u>
Borrowings excluding overdrafts	(728,894)	128,460	-	(600,434)
Obligations under finance leases	(1,592,047)	871,546	(985,339)	(1,705,840)
	<u>(1,166,877)</u>	<u>850,411</u>	<u>(985,339)</u>	<u>(1,301,805)</u>

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