

Company registration number 02070741 (England and Wales)

NEWELL AND WRIGHT TRANSPORT CONTRACTORS (SHEFFIELD) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

NEWELL AND WRIGHT TRANSPORT CONTRACTORS (SHEFFIELD) LIMITED

COMPANY INFORMATION

Directors	Mr F Newell Mr S J Lawley Mr S J Newell Mr P Barker
Company number	02070741
Registered office	Templeborough Depot Sheffield Road Sheffield South Yorkshire S9 1RT
Auditor	GBAC Limited Old Linen Court 83-85 Shambles Street Barnsley South Yorkshire S70 2SB
Bankers	HSBC Bank plc 5 Market Hill Barnsley South Yorkshire S70 2PY

NEWELL AND WRIGHT TRANSPORT CONTRACTORS (SHEFFIELD) LIMITED

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NEWELL AND WRIGHT TRANSPORT CONTRACTORS (SHEFFIELD) LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

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

Review of the business

Turnover has decreased this year by 3.8% to £29,861,656. The directors consider the profit on ordinary activities before taxation to be reasonable in the light of the continuing difficult trading conditions.

The key financial highlights are as follows:

2023 2022 2021 2020 2019

Turnover 29,861,656 31,036,147 29,062,991 24,049,937 25,065,322

Turnover growth (%) 3.8 6.8 20.8 (4.1) 26.4

Gross profit margin (%) 14.07 10.8 6.4 (0.01) 12.8

(Loss)/ profit before tax 834,738 382,462 (738,638) (2,226,430) 777,580

On behalf of the board

Mr S J Lawtey
Director

26 March 2024

NEWELL AND WRIGHT TRANSPORT CONTRACTORS (SHEFFIELD) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

The directors present their annual report and financial statements for the year ended 31 August 2023.

Principal activities

The principal activity of the company continued to be that of transport contractors.

Results and dividends

The results for the year are set out on page 8.

The dividends paid during the year totalled £Nil (2022: Nil).

Directors

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

Mr F Newell
Mr S J Lawtey
Mr S J Newell
Mr P Barker

Financial instruments

The company's financial instruments comprise bank balances, bank overdrafts, trade creditors, trade debtors, loans to the company and finance lease agreements. The main purpose of these instruments is to raise funds for the company's operations and to finance the company's operations. The company's approach to managing risks is shown below.

Liquidity risk

In respect of bank balances, the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest. The company manages the liquidity risk by ensuring there are sufficient funds to meet the payments as they fall due.

Credit risk

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits. Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Future developments

The Directors are confident that the company will maintain turnover and profitability in the future period.

Auditor

A resolution to reappoint GBAC Limited as auditor of the company will be proposed at the forthcoming annual general meeting.

Statement of disclosure to auditor

To the knowledge and belief of the directors, there is no relevant information that the company's auditor is not aware of, and the directors have taken all steps necessary to ensure that they are aware of any relevant information, and to establish that the company's auditor is aware of the information.

NEWELL AND WRIGHT TRANSPORT CONTRACTORS (SHEFFIELD) LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

On behalf of the board

Mr S J Lawtey
Director

26 March 2024

NEWELL AND WRIGHT TRANSPORT CONTRACTORS (SHEFFIELD) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 AUGUST 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.

NEWELL AND WRIGHT TRANSPORT CONTRACTORS (SHEFFIELD) LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBER OF NEWELL AND WRIGHT TRANSPORT CONTRACTORS (SHEFFIELD) LIMITED

Opinion

We have audited the financial statements of Newell and Wright Transport Contractors (Sheffield) Limited (the 'company') for the year ended 31 August 2023 which comprise the income statement, the statement of comprehensive income, the statement of financial position, 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 31 August 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditors' 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.

NEWELL AND WRIGHT TRANSPORT CONTRACTORS (SHEFFIELD) LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBER OF NEWELL AND WRIGHT TRANSPORT CONTRACTORS (SHEFFIELD) 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.

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.

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

We obtained an understanding of the company and the sector in which it operates to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, application of cumulative audit knowledge and experience of the sector.

We determined the principal laws and regulations relevant to the company in this regard to be those arising from the Companies Act 2006, Local tax laws and regulations, Anti Money Laundering Legislation and Bribery Act 2010.

We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and company with those laws and regulations. These procedures included, but were not limited to; a review of the Board minutes throughout the year and post year end. A review of general ledger transactions and discussions with management.

We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, including the potential for management bias identified in relation to the provisions for stocks and and we addressed this by challenging the assumptions and judgements made by management when auditing that significant accounting estimate.

As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

NEWELL AND WRIGHT TRANSPORT CONTRACTORS (SHEFFIELD) LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBER OF NEWELL AND WRIGHT TRANSPORT CONTRACTORS (SHEFFIELD) LIMITED

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 auditors' report.

Mrs Pamela Parker (Senior Statutory Auditor)
For and on behalf of GBAC Limited

26 March 2024

Statutory Auditor

Old Linen Court
83-85 Shambles Street
Barnsley
South Yorkshire
S70 2SB

NEWELL AND WRIGHT TRANSPORT CONTRACTORS (SHEFFIELD) LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	2023 £	2022 £
Revenue	3	29,861,656	31,036,147
Cost of sales		(25,658,097)	(27,684,244)
Gross profit		4,203,559	3,351,903
Administrative expenses		(3,095,432)	(2,807,378)
Other operating income		96,000	96,000
Operating profit	4	1,204,127	640,525
Finance costs	7	(369,389)	(258,063)
Profit before taxation		834,738	382,462
Tax on profit	8	(205,205)	(207,030)
Profit for the financial year		629,533	175,432

The income statement has been prepared on the basis that all operations are continuing operations.

NEWELL AND WRIGHT TRANSPORT CONTRACTORS (SHEFFIELD) LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 AUGUST 2023

	2023	2022
	£	£
Profit for the year	629,533	175,432
Other comprehensive income	-	-
Total comprehensive income for the year	<u>629,533</u>	<u>175,432</u>

NEWELL AND WRIGHT TRANSPORT CONTRACTORS (SHEFFIELD) LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 AUGUST 2023

	Notes	2023		2022	
		£	£	£	£
Non-current assets					
Property, plant and equipment	9		10,600,751		10,279,198
Current assets					
Inventories	11	140,212		173,140	
Trade and other receivables	12	5,364,355		5,668,172	
Cash and cash equivalents		248		248	
		<u>5,504,815</u>		<u>5,841,560</u>	
Current liabilities	13	<u>(11,539,728)</u>		<u>(12,181,261)</u>	
Net current liabilities			(6,034,913)		(6,339,701)
Total assets less current liabilities			<u>4,565,838</u>		<u>3,939,497</u>
Non-current liabilities	14		(2,552,140)		(2,851,664)
Provisions for liabilities					
Deferred tax liability	17	<u>1,046,953</u>		<u>750,621</u>	
			<u>(1,046,953)</u>		<u>(750,621)</u>
Net assets			<u>966,745</u>		<u>337,212</u>
Equity					
Called up share capital	19		2		2
Retained earnings			<u>966,743</u>		<u>337,210</u>
Total equity			<u>966,745</u>		<u>337,212</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 26 March 2024 and are signed on its behalf by:

Mr S J Lawtey
Director

Company registration number 02070741 (England and Wales)

NEWELL AND WRIGHT TRANSPORT CONTRACTORS (SHEFFIELD) LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 AUGUST 2023

	Share capital	Retained earnings	Total
	£	£	£
Balance at 1 September 2021	2	161,778	161,780
Year ended 31 August 2022:			
Profit and total comprehensive income	-	175,432	175,432
	<hr/>	<hr/>	<hr/>
Balance at 31 August 2022	2	337,210	337,212
Year ended 31 August 2023:			
Profit and total comprehensive income	-	629,533	629,533
	<hr/>	<hr/>	<hr/>
Balance at 31 August 2023	<u>2</u>	<u>966,743</u>	<u>966,745</u>

NEWELL AND WRIGHT TRANSPORT CONTRACTORS (SHEFFIELD) LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	2023		2022	
		£	£	£	£
Cash flows from operating activities					
Cash generated from operations	25	3,543,259		4,992,288	
Interest paid		(369,389)		(258,063)	
Income taxes refunded		-		174,676	
Net cash inflow from operating activities		3,173,870		4,908,901	
Investing activities					
Purchase of property, plant and equipment		(900,285)		(568,079)	
Proceeds from disposal of property, plant and equipment		259,953		312,261	
Net cash used in investing activities		(640,332)		(255,818)	
Financing activities					
Payment of finance leases obligations		(1,722,718)		(1,685,076)	
Net cash used in financing activities		(1,722,718)		(1,685,076)	
Net increase in cash and cash equivalents		810,820		2,968,007	
Cash and cash equivalents at beginning of year		(2,711,927)		(5,679,934)	
Cash and cash equivalents at end of year		(1,901,107)		(2,711,927)	
Relating to:					
Cash at bank and in hand			248		248
Bank overdrafts included in creditors payable within one year		(1,901,355)		(2,712,175)	
		(1,901,355)		(2,712,175)	

NEWELL AND WRIGHT TRANSPORT CONTRACTORS (SHEFFIELD) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

Company information

Newell and Wright Transport Contractors (Sheffield) Limited is a private company limited by shares incorporated in England and Wales. The registered office is Templeborough Depot, Sheffield Road, Sheffield, South Yorkshire, S9 1RT.

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 with the support of the other group companies. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Revenue

Revenue is recognised at the fair value of the consideration received or receivable for goods and 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.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

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. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

1.4 Property, plant and equipment

Property, plant and equipment 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:

Leasehold land and buildings	5% on straight line basis/ over the lease period
Fixtures, fittings & equipment	15% on reducing balance
Trailers	15% on reducing balance
Motor vehicles	20-25% on reducing balance

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.

NEWELL AND WRIGHT TRANSPORT CONTRACTORS (SHEFFIELD) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

1.5 Impairment of non-current 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.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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 profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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 profit or loss, 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.

1.6 Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

Inventories held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of inventories 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.

1.7 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.

1.8 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 statement of financial position 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.

NEWELL AND WRIGHT TRANSPORT CONTRACTORS (SHEFFIELD) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

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.

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.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

NEWELL AND WRIGHT TRANSPORT CONTRACTORS (SHEFFIELD) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

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.

1.9 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.

1.10 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 income statement 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.

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.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

NEWELL AND WRIGHT TRANSPORT CONTRACTORS (SHEFFIELD) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies (Continued)

1.11 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 non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

The company operated a defined contribution pension scheme, contributions to which are charged to the profit and loss account for the year in which they are payable to the scheme.

1.13 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 statement of financial position 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.

1.14 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.

NEWELL AND WRIGHT TRANSPORT CONTRACTORS (SHEFFIELD) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

3 Revenue

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

	2023	2022
	£	£
Revenue analysed by class of business		
Haulage	23,787,644	25,076,652
Storage and work done	6,074,012	5,959,495
	<u>29,861,656</u>	<u>31,036,147</u>

	2023	2022
	£	£
Revenue analysed by geographical market		
UK	<u>29,861,656</u>	<u>31,036,147</u>

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	10,000	9,000
Depreciation of owned property, plant and equipment	290,749	226,247
Depreciation of property, plant and equipment held under finance leases	1,335,421	1,330,386
Profit on disposal of property, plant and equipment	(71,755)	(125,172)
	<u>2,263,415</u>	<u>2,135,206</u>

5 Employees

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

	2023	2022
	Number	Number
Production	16	16
Distribution	193	201
Administration	26	26
	<u>235</u>	<u>243</u>

NEWELL AND WRIGHT TRANSPORT CONTRACTORS (SHEFFIELD) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

5	Employees	(Continued)	
	Their aggregate remuneration comprised:		
		2023	2022
		£	£
	Wages and salaries	9,510,698	9,628,190
	Pension costs	198,558	197,314
		<u>9,709,256</u>	<u>9,825,504</u>
		<u><u>9,709,256</u></u>	<u><u>9,825,504</u></u>
6	Directors' remuneration		
		2023	2022
		£	£
	Remuneration for qualifying services	287,511	226,171
	Company pension contributions to defined contribution schemes	6,639	6,639
		<u>294,150</u>	<u>232,810</u>
		<u><u>294,150</u></u>	<u><u>232,810</u></u>
	Remuneration disclosed above include the following amounts paid to the highest paid director:		
		2023	2022
		£	£
	Remuneration for qualifying services	102,380	82,611
		<u>102,380</u>	<u>82,611</u>
		<u><u>102,380</u></u>	<u><u>82,611</u></u>
7	Finance costs		
		2023	2022
		£	£
	Interest on financial liabilities measured at amortised cost:		
	Interest on bank overdrafts and loans	219,478	141,314
	Other finance costs:		
	Interest on finance leases and hire purchase contracts	149,911	116,749
		<u>369,389</u>	<u>258,063</u>
		<u><u>369,389</u></u>	<u><u>258,063</u></u>
8	Taxation		
		2023	2022
		£	£
	Current tax		
	UK corporation tax on profits for the current period	(91,127)	(72,938)
		<u>(91,127)</u>	<u>(72,938)</u>
		<u><u>(91,127)</u></u>	<u><u>(72,938)</u></u>

NEWELL AND WRIGHT TRANSPORT CONTRACTORS (SHEFFIELD) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

8 Taxation	(Continued)	
	2023	2022
	£	£
Deferred tax		
Origination and reversal of timing differences	296,332	279,968
	<u>296,332</u>	<u>279,968</u>
Total tax charge	205,205	207,030
	<u>205,205</u>	<u>207,030</u>

On 1 April 2023, the headline rate of corporation tax increased from 19% to 25%.

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	834,738	382,462
	<u>834,738</u>	<u>382,462</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 25.00% (2022: 19.00%)	208,685	72,668
Tax effect of expenses that are not deductible in determining taxable profit	103,555	418
Group relief	(91,127)	-
Permanent capital allowances in excess of depreciation	(312,240)	(146,024)
Other non-reversing timing differences	296,332	279,968
	<u>205,205</u>	<u>207,030</u>
Taxation charge for the year	205,205	207,030
	<u>205,205</u>	<u>207,030</u>

NEWELL AND WRIGHT TRANSPORT CONTRACTORS (SHEFFIELD) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

9	Property, plant and equipment	Leasehold land	Fixtures, fittings	Trailers	Motor vehicles	Total
		and buildings	& equipment			
		£	£	£	£	£
Cost						
	At 1 September 2022	4,141,675	879,675	2,055,943	12,380,119	19,457,412
	Additions	85,110	23,643	258,000	1,769,168	2,135,921
	Disposals	-	-	(62,250)	(594,012)	(656,262)
	At 31 August 2023	4,226,785	903,318	2,251,693	13,555,275	20,937,071
Depreciation and impairment						
	At 1 September 2022	407,313	652,753	1,203,506	6,914,642	9,178,214
	Depreciation charged in the year	166,936	34,040	134,029	1,291,165	1,626,170
	Eliminated in respect of disposals	-	-	(51,280)	(416,784)	(468,064)
	At 31 August 2023	574,249	686,793	1,286,255	7,789,023	10,336,320
Carrying amount						
	At 31 August 2023	3,652,536	216,525	965,438	5,766,252	10,600,751
	At 31 August 2022	3,734,362	226,922	852,437	5,465,477	10,279,198

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
	£	£
Trailers	574,117	382,095
Motor vehicles	4,528,491	4,696,702
	5,102,608	5,078,797

10 Financial instruments

	2023	2022
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	4,826,425	5,238,130
Carrying amount of financial liabilities		
Measured at amortised cost	13,602,148	14,810,001

NEWELL AND WRIGHT TRANSPORT CONTRACTORS (SHEFFIELD) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

11 Inventories		2023	2022
		£	£
Raw materials and consumables		140,212	173,140
		<u>140,212</u>	<u>173,140</u>
12 Trade and other receivables		2023	2022
		£	£
Amounts falling due within one year:			
Trade receivables		4,181,166	4,621,383
Amounts owed by group undertakings		423,258	387,747
Other receivables		330,334	310,748
Prepayments and accrued income		429,597	348,294
		<u>5,364,355</u>	<u>5,668,172</u>
13 Current liabilities		2023	2022
	Notes	£	£
Bank loans and overdrafts	15	1,901,355	2,712,175
Obligations under finance leases	16	1,424,409	1,611,967
Trade payables		4,173,640	3,986,537
Amounts owed to group undertakings		1,754,398	1,833,248
Taxation and social security		489,720	222,924
Other payables		1,089,988	1,128,157
Accruals and deferred income		706,218	686,253
		<u>11,539,728</u>	<u>12,181,261</u>

The HSBC Bank plc overdraft is secured by a debenture giving a fixed and floating charge over the assets of the company.

Amounts on hire purchase are secured on the assets to which they relate.

14 Non-current liabilities		2023	2022
	Notes	£	£
Obligations under finance leases	16	2,552,140	2,851,664
		<u>2,552,140</u>	<u>2,851,664</u>

Amounts on hire purchase are secured on the assets to which they relate.

NEWELL AND WRIGHT TRANSPORT CONTRACTORS (SHEFFIELD) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

15 Borrowings	2023 £	2022 £
Bank overdrafts	1,901,355	2,712,175
Payable within one year	1,901,355	2,712,175

The HSBC Bank plc overdraft is secured by a debenture giving a fixed and floating charge over the assets of the company.

16 Finance lease obligations	2023 £	2022 £
Future minimum lease payments due under finance leases:		
Within one year	1,424,409	1,611,967
In two to five years	2,398,218	2,667,988
In over five years	153,922	183,676
	3,976,549	4,463,631

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 5 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

17 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:

Balances:	Liabilities 2023 £	Liabilities 2022 £
Accelerated capital allowances	1,046,953	750,621
Movements in the year:		2023 £
Liability at 1 September 2022		750,621
Charge to profit or loss		296,332
Liability at 31 August 2023		1,046,953

NEWELL AND WRIGHT TRANSPORT CONTRACTORS (SHEFFIELD) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

17 Deferred taxation (Continued)

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

18 Retirement benefit schemes

	2023	2022
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	198,558	197,314
	<u> </u>	<u> </u>

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.

19 Share capital

	2023	2022	2023	2022
	Number	Number	£	£
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	2	2	2	2
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

20 Financial commitments, guarantees and contingent liabilities

The company has given an unlimited guarantee to its bankers in respect of the bank borrowings of other group companies, which at the balance sheet date amounted to £3,597,130.

21 Operating lease commitments

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	109,800	169,800
Between two and five years	439,200	439,200
In over five years	1,733,938	1,843,738
	<u> </u>	<u> </u>
	2,282,938	2,452,738
	<u> </u>	<u> </u>

22 Related party transactions

Transactions with related parties

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

NEWELL AND WRIGHT TRANSPORT CONTRACTORS (SHEFFIELD) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

22 Related party transactions (Continued)

	Sales 2023 £	Sales 2022 £	Purchases 2023 £	Purchases 2022 £
Other related parties	164,308	305,586	133,100	119,233
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The following amounts were outstanding at the reporting end date:

	2023 £	2022 £
Amounts due to related parties		
Other related parties	993,800	1,084,800
	<u> </u>	<u> </u>

The following amounts were outstanding at the reporting end date:

	2023 £	2022 £
Amounts due from related parties		
Other related parties	40,220	77,031
	<u> </u>	<u> </u>

23 Directors' transactions

Transactions have been made between the company and NWT Sales and Service, of which Mr.F.R. Newell is a partner.

During the period rent totalling £87,600 was paid to NWT Sales and Service.

All transactions with the directors and this business during the year were carried out at open market values.

At the year end, some directors had interest free overdrawn loans. The movement in these loans are as follows:

24 Ultimate controlling party

The director considers NWT Holdings Limited to be the ultimate holding company. Mr F Newell is the ultimate controlling party of that company. The registered office of the parent is Templeborough Depot, Sheffield Road, Sheffield, South Yorkshire, S9 1RT.

The accounts of this company are consolidated into NWT Holdings Limited.

NEWELL AND WRIGHT TRANSPORT CONTRACTORS (SHEFFIELD) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

25	Cash generated from operations				
			2023		2022
			£		£
	Profit for the year after tax		629,533		175,432
	Adjustments for:				
	Taxation charged		205,205		207,030
	Finance costs		369,389		258,063
	Gain on disposal of property, plant and equipment		(71,755)		(125,172)
	Depreciation and impairment of property, plant and equipment		1,626,170		1,556,633
	Movements in working capital:				
	Decrease/(increase) in inventories		32,928		(52,595)
	Decrease/(increase) in trade and other receivables		303,817		(95,541)
	Increase in trade and other payables		447,972		3,068,438
	Cash generated from operations		<u>3,543,259</u>		<u>4,992,288</u>
26	Analysis of changes in net debt				
		1 September	Cash flows	New finance	31 August 2023
		2022		leases	
		£	£	£	£
	Cash at bank and in hand	248	-	-	248
	Bank overdrafts	(2,712,175)	810,820	-	(1,901,355)
		<u>(2,711,927)</u>	<u>810,820</u>	<u>-</u>	<u>(1,901,107)</u>
	Obligations under finance leases	(4,463,631)	1,722,718	(1,235,636)	(3,976,549)
		<u>(7,175,558)</u>	<u>2,533,538</u>	<u>(1,235,636)</u>	<u>(5,877,656)</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.