

J.M.D. HAULAGE CONTRACTORS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2024

COMPANY INFORMATION

Directors	J M Deveney A Maguire L M Steele (appointed 28 August 2024)
Registered number	01370528
Registered office	c/o Langtons The Plaza 100 Old Hall Street Liverpool L3 9QJ
Independent auditors	Langtons Professional Services Limited Chartered Accountants & Statutory Auditors The Plaza 100 Old Hall Street Liverpool L3 9QJ

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**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MAY 2024**

Introduction

The directors present their report for the year ended 31st May 2024.

Business review

J.M.D. Haulage Contractors Limited's trading results for the year ending 31st May 2024 shows profit before tax of £1,276,873 (2023 £1,886,215).

Looking forward to the 2024/25 trading year the Directors are confident that the business is well placed to take advantage of the new business opportunities that the market now offers.

The directors plan to continue to develop the existing activities of the company

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to the normal commercial risks of our market sector.

The key business risks affecting the company are considered to relate to Health and Safety, contractual liability and non payment, however, we believe we have effective strategies in place to control and minimise these risks.

Financial key performance indicators

The business produces a range of Key Performance Indicators to aid the effective management of the business.

This report was approved by the board on 24 February 2025 and signed on its behalf.

A Maguire

Director

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MAY 2024**

The directors present their report and the financial statements for the year ended 31 May 2024.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and 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 for the Company's financial statements 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 to 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.

Results and dividends

The profit for the year, after taxation, amounted to £944,556 (2023 - £1,548,505).

Dividends totalling £294,704 (2023 £252,150) were proposed and fully paid within the year. No final dividend is proposed.

Directors

The directors who served during the year were:

J M Deveney
A Maguire

Future developments

The directors are satisfied with the result for the year and are positive for the future, based on the ongoing improvement initiatives within the business.

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2024**

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditors

The auditors, Langtons Professional Services Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 24 February 2025 and signed on its behalf.

A Maguire
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF J.M.D. HAULAGE CONTRACTORS LIMITED

Opinion

We have audited the financial statements of J.M.D. Haulage Contractors Limited (the 'Company') for the year ended 31 May 2024, which comprise the Statement of Income and Retained Earnings, the Balance Sheet and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 May 2024 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 United Kingdom, including the Financial Reporting Council'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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF J.M.D. HAULAGE CONTRACTORS LIMITED (CONTINUED)

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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the 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.

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 directors' 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 set out on page 2, 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF J.M.D. HAULAGE CONTRACTORS LIMITED (CONTINUED)

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.

Irregularities, including fraud, are 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:

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud:

The objectives of our audit, in respect to fraud, are:

- to identify and assess the risks of material misstatement of the financial statements due to fraud;
- to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and
- to respond appropriately to fraud or suspected fraud identified during the audit.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are those that relate to the reporting framework (FRS 102 and the Companies Act 2006) and the relevant tax compliance regulations in the UK.

We understood how the Company is complying with those frameworks by making enquiries of management.

Through consideration of the results of our audit procedures we were able to either corroborate or provide contrary evidence which was then followed up.

Based on our understanding we designed our audit procedures to identify non-compliance with laws and regulations. Our procedures involved:

- enquiries of management; and
- journal entry testing, with a focus on journals indicating large or unusual transactions based on our understanding of the business.

We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by meeting with management to understand where it considered there was susceptibility to fraud.

We also considered performance targets and their propensity to influence efforts made by management to manage revenue and earnings.

Where the risk was considered to be higher, including areas impacting key performance indicators or management remuneration, we performed audit procedures to address each identified fraud risk or other risk of material misstatement. These procedures included those on revenue recognition detailed above, the

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF J.M.D. HAULAGE CONTRACTORS LIMITED (CONTINUED)

assessment of items identified by management as non-recurring and testing manual journals and were designed to provide reasonable assurance that the financial statements were free from material fraud or error.

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

Eifion Roberts (Senior Statutory Auditor)

for and on behalf of
Langtons Professional Services Limited

Chartered Accountants
Statutory Auditors

The Plaza
100 Old Hall Street
Liverpool
L3 9QJ

24 February 2025

STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 MAY 2024

	Note	2024 £	2023 £
Turnover	4	14,370,133	15,266,726
Cost of sales		(11,346,807)	(11,611,372)
Gross profit		3,023,326	3,655,354
Administrative expenses		(1,569,404)	(1,622,223)
Operating profit	5	1,453,922	2,033,131
Interest receivable and similar income	9	89,160	12,586
Interest payable and similar expenses	10	(266,209)	(159,502)
Profit before tax		1,276,873	1,886,215
Tax on profit	11	(332,317)	(337,710)
Profit after tax		944,556	1,548,505
Retained earnings at the beginning of the year		4,488,026	3,191,671
		4,488,026	3,191,671
Profit for the year		944,556	1,548,505
Dividends declared and paid		(294,704)	(252,150)
Retained earnings at the end of the year		5,137,878	4,488,026

There were no recognised gains and losses for 2024 or 2023 other than those included in the statement of income and retained earnings.

The notes on pages 11 to 25 form part of these financial statements.

BALANCE SHEET
AS AT 31 MAY 2024

	Note	2024 £	2023 £
Fixed assets			
Tangible assets	13	6,573,636	5,314,536
		6,573,636	5,314,536
Current assets			
Stocks	14	297,757	178,182
Debtors: amounts falling due within one year	15	1,993,166	1,697,917
Cash at bank and in hand	16	3,740,833	3,656,738
		6,031,756	5,532,837
Creditors: amounts falling due within one year	17	(2,146,028)	(2,393,945)
Net current assets		3,885,728	3,138,892
Total assets less current liabilities		10,459,364	8,453,428
Creditors: amounts falling due after more than one year	18	(4,141,379)	(3,117,482)
Provisions for liabilities			
Deferred tax	21	(1,180,005)	(847,818)
		(1,180,005)	(847,818)
Net assets		5,137,980	4,488,128
Capital and reserves			
Called up share capital	22	102	102
Profit and loss account	23	5,137,878	4,488,026
		5,137,980	4,488,128

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 24 February 2025.

A Maguire
Director

The notes on pages 11 to 25 form part of these financial statements.

ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 MAY 2024

	At 1 June 2023 £	Cash flows £	New finance leases £	At 31 May 2024 £
Cash at bank and in hand	3,656,738	84,095	-	3,740,833
Bank overdrafts	(41,580)	37,164	-	(4,416)
Finance leases	(4,467,813)	3,501,252	(4,316,683)	(5,283,244)
	<u>(852,655)</u>	<u>3,622,511</u>	<u>(4,316,683)</u>	<u>(1,546,827)</u>

The notes on pages 11 to 25 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2024

1. General information

The entity is a private limited liability company, limited by shares registered in England and Wales within the United Kingdom. The registered office is The Plaza, 100 Old Hall Street, Liverpool, Merseyside, L3 9QJ and the company number is 01370528.

These financial statements present information about the company as an individual undertaking; it is a subsidiary of J.M.D. Haulage Group Limited who have prepared consolidated accounts.

The principal activity of the company was that of a haulage contractor.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The presentation currency of these financial statements is the pound sterling; the financial statements are rounded to the nearest pound.

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

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

2.3 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2024

2. Accounting policies (continued)

2.4 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.5 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.6 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.7 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.8 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2024**2. Accounting policies (continued)****2.9 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, as detailed below.

Depreciation is provided on the following basis:

L/Term Leasehold Property	- 20 years straight line
Plant and machinery	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 20% on reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.10 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.11 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.13 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2024

2. Accounting policies (continued)

2.14 Provisions for liabilities

Provisions are recognised when an event has taken place that gives rise to a legal or constructive obligation, a transfer of economic benefits is probable and a reliable estimate can be made.

Provisions are measured as the best estimate of the amount required to settle the obligation, taking into account the related risks and uncertainties.

Increases in provisions are generally charged as an expense to profit or loss.

2.15 Financial instruments

The Company has elected to apply the provisions of Section 11 "Basic Financial Instruments" 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.

Basic financial assets

Basic financial assets, which include trade and other debtors, cash and bank balances, are initially measured at their transaction price (adjusted for transaction costs except in the initial measurement of financial assets that are subsequently measured at fair value through profit and loss) and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, 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.

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other debtors due with the operating cycle fall into this category of financial instruments.

Other financial assets

Other financial assets, which includes investments in equity instruments which are not classified as subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the recognised transaction price. Such assets are subsequently measured at fair value with the changes in fair value being recognised in the profit or loss. Where other financial assets are not publicly traded, hence their fair value cannot be measured reliably, they are measured at cost less impairment.

Impairment of financial assets

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Financial assets are impaired when events, subsequent to their initial recognition, indicate the estimated future cash flows derived from the financial asset(s) have been adversely impacted. The impairment loss will be the difference between the current carrying amount and the present value of

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2024

2. Accounting policies (continued)

2.15 Financial instruments (continued)

the future cash flows at the asset(s) original effective interest rate.

If there is a favourable change in relation to the events surrounding the impairment loss then the impairment can be reviewed for possible reversal. The reversal will not cause the current carrying amount to exceed the original carrying amount had the impairment not been recognised. The impairment reversal is recognised in the profit or loss.

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 the deduction of all its liabilities.

Basic financial liabilities, which include trade and other creditors, bank loans and other loans are initially measured at their transaction price (adjusting for transaction costs except in the initial measurement of financial liabilities that are subsequently measured at fair value through profit and loss). When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future payments discounted at a market rate of interest, discounting is omitted where the effect of discounting is immaterial.

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

Trade creditors are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade creditors are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Other financial instruments

Derivatives, including forward exchange contracts, futures contracts and interest rate swaps, are not classified as basic financial instruments. These are initially recognised at fair value on the date the derivative contract is entered into, with costs being charged to the profit or loss. They are subsequently measured at fair value with changes in the profit or loss.

Debt instruments that do not meet the conditions as set out in FRS 102 paragraph 11.9 are subsequently measured at fair value through the profit or loss. This recognition and measurement would also apply to financial instruments where the performance is evaluated on a fair value basis as with a documented risk management or investment strategy.

2.16 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2024

3. **Judgements in applying accounting policies and key sources of estimation uncertainty**

The directors have made judgements regarding the depreciation of fixed assets and the value of bad debts.

4. **Turnover**

The whole of the turnover is attributable to the principal activity of the company.

All turnover arose within the United Kingdom.

5. **Operating profit**

The operating profit is stated after charging:

	2024	2023
	£	£
Other operating lease rentals	<u>307,325</u>	<u>252,576</u>

6. **Auditors' remuneration**

During the year, the Company obtained the following services from the Company's auditors:

	2024	2023
	£	£
Fees payable to the Company's auditors for the audit of the Company's financial statements	<u>12,000</u>	<u>12,000</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2024

7. **Employees**

	2024 £	2023 £
Wages and salaries	4,817,978	4,765,598
Social security costs	443,581	472,884
Cost of defined contribution scheme	178,005	180,381
	<u>5,439,564</u>	<u>5,418,863</u>

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

	2024 No.	2023 No.
Drivers	112	115
Administration	22	22
	<u>134</u>	<u>137</u>

8. **Directors' remuneration**

	2024 £	2023 £
Directors' emoluments	18,017	19,136
Company contributions to defined contribution pension schemes	30,000	30,000
	<u>48,017</u>	<u>49,136</u>

During the year retirement benefits were accruing to 1 director (2023 - 1) in respect of defined contribution pension schemes.

9. **Interest receivable**

	2024 £	2023 £
Other interest receivable	89,160	12,586
	<u>89,160</u>	<u>12,586</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2024**

10. Interest payable and similar expenses

	2024 £	2023 £
Finance leases and hire purchase contracts	248,304	144,488
Other interest payable	17,905	15,014
	266,209	159,502

11. Taxation

	2024 £	2023 £
Corporation tax		
Current tax on profits for the year	-	83,295
Adjustments in respect of previous periods	130	9,309
	130	92,604
Deferred tax		
Origination and reversal of timing differences	332,187	245,106
	332,187	245,106
Tax on profit	332,317	337,710

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2024**

11. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2023 - *lower than*) the standard rate of corporation tax in the UK of 25% (2023 - 20%). The differences are explained below:

	2024	2023
	£	£
Profit on ordinary activities before tax	<u>1,276,874</u>	<u>1,886,215</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2023 - 20%)	319,219	377,295
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	11,703	2,711
Fixed asset differences	1,265	(92,704)
Chargeable gains/(losses)	-	2,050
Adjustments to tax charge in respect of prior periods	130	9,309
Adjustments to tax charge in respect of previous periods - deferred tax	-	(12,429)
Remeasurement of deferred tax for changes in tax rates	-	51,478
Total tax charge for the year	<u>332,317</u>	<u>337,710</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

12. Dividends

	2024	2023
	£	£
Dividends	294,704	252,150
	<u>294,704</u>	<u>252,150</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2024

13. Tangible fixed assets

	L/Term Leasehold Property	Plant and machinery	Motor vehicles	Computer equipment	Total
	£	£	£	£	£
Cost or valuation					
At 1 June 2023	115,366	8,387,355	111,651	89,509	8,703,881
Additions	13,520	4,304,648	-	18,576	4,336,744
Disposals	-	(3,498,975)	-	-	(3,498,975)
At 31 May 2024	<u>128,886</u>	<u>9,193,028</u>	<u>111,651</u>	<u>108,085</u>	<u>9,541,650</u>
Depreciation					
At 1 June 2023	47,609	3,236,191	82,276	23,269	3,389,345
Charge for the year on owned assets	9,619	487,101	7,344	20,163	524,227
Charge for the year on financed assets	-	899,456	-	-	899,456
Disposals	-	(1,845,014)	-	-	(1,845,014)
At 31 May 2024	<u>57,228</u>	<u>2,777,734</u>	<u>89,620</u>	<u>43,432</u>	<u>2,968,014</u>
Net book value					
At 31 May 2024	<u>71,658</u>	<u>6,415,294</u>	<u>22,031</u>	<u>64,653</u>	<u>6,573,636</u>
At 31 May 2023	<u>67,757</u>	<u>5,151,164</u>	<u>29,375</u>	<u>66,240</u>	<u>5,314,536</u>

The net book value of land and buildings may be further analysed as follows:

	2024 £	2023 £
Long leasehold	<u>71,658</u>	<u>67,757</u>
	<u>71,658</u>	<u>67,757</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2024**

13. Tangible fixed assets (continued)

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2024 £	2023 £
Plant and machinery	5,151,293	4,531,425
	<u>5,151,293</u>	<u>4,531,425</u>

14. Stocks

	2024 £	2023 £
Work in progress and fuel stock	297,757	178,182
	<u>297,757</u>	<u>178,182</u>

15. Debtors

	2024 £	2023 £
Trade debtors	1,495,603	1,291,457
Other debtors	383,405	272,357
Prepayments and accrued income	114,158	134,103
	<u>1,993,166</u>	<u>1,697,917</u>

16. Cash and cash equivalents

	2024 £	2023 £
Cash at bank and in hand	3,740,833	3,656,738
Less: bank overdrafts	(4,416)	(41,580)
	<u>3,736,417</u>	<u>3,615,158</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2024

17. Creditors: Amounts falling due within one year

	2024 £	2023 £
Bank overdrafts	4,416	41,580
Trade creditors	498,699	490,119
Corporation tax	113	132,308
Other taxation and social security	122,637	132,980
Obligations under finance lease and hire purchase contracts	1,141,865	1,350,331
Other creditors	83,265	82,268
Accruals and deferred income	295,033	164,359
	<u>2,146,028</u>	<u>2,393,945</u>

18. Creditors: Amounts falling due after more than one year

	2024 £	2023 £
Net obligations under finance leases and hire purchase contracts	4,141,379	3,117,482
	<u>4,141,379</u>	<u>3,117,482</u>

The following liabilities were secured:

	2024 £	2023 £
Bank overdraft and loans	4,416	41,580
Net obligations under finance leases and hire purchase contracts	5,283,244	4,467,813
	<u>5,287,660</u>	<u>4,509,393</u>

Details of security provided:

Bank overdrafts and net obligations under finance leases and hire purchase contracts are secured on the assets concerned.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2024

19. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2024 £	2023 £
Within one year	1,419,243	3,185,051
Between 1-5 years	4,370,656	1,477,736
	<u>5,789,899</u>	<u>4,662,787</u>

20. Financial instruments

	2024 £	2023 £
Financial assets		
Financial assets measured at fair value through profit or loss	<u>3,740,833</u>	<u>3,656,738</u>

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand.

21. Deferred taxation

	2024 £	2023 £
At beginning of year	847,818	602,712
Charged to profit or loss	332,187	245,106
At end of year	<u>1,180,005</u>	<u>847,818</u>

The provision for deferred taxation is made up as follows:

	2024 £	2023 £
Accelerated capital allowances	1,599,476	854,700
Tax losses carried forward	(412,788)	-
Short term timing differences	(6,683)	(6,882)
	<u>1,180,005</u>	<u>847,818</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2024

22. Share capital

	2024 £	2023 £
Allotted, called up and fully paid		
500 (2023 - 500) A Ordinary shares of £0.20 each	100	100
10 (2023 - 10) B Ordinary shares of £0.20 each	2	2
	<u>102</u>	<u>102</u>

23. Reserves

Profit and loss account

Includes all current and prior period retained profits and losses less dividends paid.

24. Pension commitments

The Company operates a defined contributions pension scheme.

The assets of the scheme are held separately from those of the Company in an independently administered fund.

The pension cost charge represents contributions payable by the Company to the fund and amounted to £148,005 (2023 - £150,382).

Contributions totalling £4,041 (2023 - £5,897) were payable to the fund at the reporting date and are included in creditors.

During the year, the company made contributions to the directors personal pension plans.

Contributions paid in respect of the directors in aggregate is £30,000 (2023 - £30,000).

25. Commitments under operating leases

At 31 May 2024 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2024 £	2023 £
Not later than 1 year	162,147	162,147
Later than 1 year and not later than 5 years	751,681	778,248
Later than 5 years	-	137,500
	<u>913,828</u>	<u>1,077,895</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2024**

26. Transactions with directors

The directors operate a current account with the company to which all transactions of a private nature are charged.

At 31st May 2024, an amount of £289,954 (2023 £117,306) is included in other debtors.

27. Controlling party

At the balance sheet date, J.M.D. Haulage Group Limited is regarded by the directors as being the company's ultimate parent company. Copies of accounts of J.M.D. Haulage Group Limited may be obtained from Companies House, Cardiff, CF14 3UZ.

At the balance sheet date, the parent company is under the control of its directors.