

Company registration number 03908191 (England and Wales)

E.H. NICHOLLS HOLDINGS LIMITED
AND ITS SUBSIDIARY UNDERTAKINGS
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

**E.H. NICHOLLS HOLDINGS LIMITED
AND ITS SUBSIDIARY UNDERTAKINGS
COMPANY INFORMATION**

Directors	Mr. P. Nicholls Mr. D. J. Sherlock
Secretary	Mr. D. J. Sherlock
Company number	03908191
Registered office	Nicholls Transport Sittingbourne Logistics Park Swale Way Sittingbourne Kent United Kingdom ME10 2FF
Auditor	Azets Audit Services Globe House Eclipse Park Sittingbourne Road Maidstone Kent United Kingdom ME14 3EN
Business address	Nicholls Transport Sittingbourne Logistics Park Swale Way Sittingbourne Kent United Kingdom ME10 2FF

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E.H. NICHOLLS HOLDINGS LIMITED AND ITS SUBSIDIARY UNDERTAKINGS STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The directors present the strategic report for the year ended 31 March 2023. The directors aim to present a balanced and comprehensive review of the development and performance of the group's business during the year and its position at the year end. The review is consistent with the size and nature of the business and is written in the context of the risks and uncertainties that the group faces.

Fair review of the business

The principal activities of the group throughout the year under review were that of haulage contractors, the rental of vehicles and property development and management. The activities of the individual subsidiary undertakings are shown in note 15 to the accounts.

Principal risks and uncertainties

The principal risks and uncertainties facing the group are as follows:

- Competitor pressure - the directors recognise that the haulage market continues to be very competitive, and therefore competitor pressure could result in losing sales to key competitors. The group manages this risk by differentiating from their competitors with the quality of service which they provide to customers.
- Availability of drivers - the directors are aware of the national shortage of drivers and are developing strategies to combat this.
- The fluctuation in the price of fuel continues to be a significant risk to the group, as the prices are fundamental to the continuation of the business' main trade. The group closely monitors the fuel prices in order to manage the risk and oil is purchased when the prices fall.
- Similarly, the fluctuation in the Euro/Sterling exchange rate remains a concern. With a number of clients being charged in the Euro currency the group strategically exchanges Euros to Sterling at a time when the exchange rate is most favourable, thereby mitigating the risk where possible.

The directors believe that the group is well placed to manage its business risks successfully but they continue to monitor the position carefully, in particular with regard to fluctuations in fuel prices and foreign exchange.

Development and performance

Since last year the group has invested in fixed assets to support its planned expansion activities.

The directors consider the profit on ordinary activities before taxation of £2,634,503 to be satisfactory in the light of continuing difficult trading conditions. The expansion has improved the haulage business' efficiency and standard of service to customers, which in turn, the directors anticipate will improve the group's profitability in future years.

The directors are continuing to seek opportunities to enhance the group's profitability and asset base.

**E.H. NICHOLLS HOLDINGS LIMITED
AND ITS SUBSIDIARY UNDERTAKINGS
STRATEGIC REPORT (CONTINUED)**

FOR THE YEAR ENDED 31 MARCH 2023

Key performance indicators

The group uses turnover and gross profit margin as its KPIs to determine progress and performance. The group's turnover increased in the year under review by 3.4% to £25,533,524 and the group's gross profit margin has remained consistent at 28% (2022: 29%).

Financial position at 31 March 2023

The balance sheet shows that the group's net assets at the year end have remained consistent at £41,190,966 (2022: £40,837,839).

On behalf of the board

Mr. P. Nicholls
Director

Date: 22 December 2023

**E.H. NICHOLLS HOLDINGS LIMITED
AND ITS SUBSIDIARY UNDERTAKINGS
DIRECTORS' REPORT**

FOR THE YEAR ENDED 31 MARCH 2023

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

Directors

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

Mr. P. Nicholls
Mr. D. J. Sherlock

Results and dividends

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

Ordinary dividends were paid amounting to £137,750. The directors do not recommend payment of a further dividend. No preference dividends were paid. The directors do not recommend payment of a final dividend.

Financial instruments

The group's principal financial instruments comprise its banking and other loan facilities. The main purpose of these instruments is to raise funds and to finance the group's operations.

Due to the nature of the financial instruments used by the group there is minimal exposure to price risk. The group's approach to managing other risks applicable to the financial instruments is shown below.

The group's principal foreign currency risk arises from trading operations and certain foreign currency liquid assets. Group policy does not demand that these exposures be hedged, but transactions are arranged to minimise the financial impact of exchange rate fluctuations.

In respect of bank balances the liquidity risk is managed by transferring funds between the accounts of the group to obtain the maximum rate of interest, whilst not impacting on the immediate financial needs of the group.

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.

Auditor

The auditor, Azets Audit Services, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

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 auditor of the company 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 auditor of the company is aware of that information.

On behalf of the board

Mr. P. Nicholls
Director

Date: 22 December 2023

**E.H. NICHOLLS HOLDINGS LIMITED
AND ITS SUBSIDIARY UNDERTAKINGS
DIRECTORS' RESPONSIBILITIES STATEMENT**

FOR THE YEAR ENDED 31 MARCH 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 group and company, and of the profit or loss of the group 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the ;
- prepare the on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

E.H. NICHOLLS HOLDINGS LIMITED AND ITS SUBSIDIARY UNDERTAKINGS INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF E.H. NICHOLLS HOLDINGS LIMITED

Opinion

We have audited the financial statements of E.H. Nicholls Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows, the company 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 group's and the parent company's affairs as at 31 March 2023 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the group and parent 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 group's and parent 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.

**E.H. NICHOLLS HOLDINGS LIMITED
AND ITS SUBSIDIARY UNDERTAKINGS
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF E.H. NICHOLLS HOLDINGS LIMITED**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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, 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 parent 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 parent 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.

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.

**E.H. NICHOLLS HOLDINGS LIMITED
AND ITS SUBSIDIARY UNDERTAKINGS
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF E.H. NICHOLLS HOLDINGS LIMITED**

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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.

Marc Farmer FCA (Senior Statutory Auditor)
For and on behalf of Azets Audit Services
Chartered Accountants
Statutory Auditor

22 December 2023

Globe House
Eclipse Park
Sittingbourne Road
Maidstone
Kent
United Kingdom
ME14 3EN

**E.H. NICHOLLS HOLDINGS LIMITED
AND ITS SUBSIDIARY UNDERTAKINGS
GROUP PROFIT AND LOSS ACCOUNT**

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	2022 £
Turnover	3	25,533,524	24,526,011
Cost of sales		(18,271,866)	(17,277,191)
Gross profit		7,261,658	7,248,820
Administrative expenses		(4,559,849)	(4,541,712)
Other operating income		54,836	16,310
Operating profit	4	2,756,645	2,723,418
Interest receivable and similar income	8	11,550	801
Interest payable and similar expenses	9	(133,692)	(89,053)
Profit before taxation		2,634,503	2,635,166
Tax on profit	10	(493,626)	(645,386)
Profit for the financial year		2,140,877	1,989,780

Profit for the financial year is all attributable to the owners of the parent company.

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

**E.H. NICHOLLS HOLDINGS LIMITED
AND ITS SUBSIDIARY UNDERTAKINGS
GROUP STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2023**

	2023 £	2022 £
Profit for the year	2,140,877	1,989,780
Other comprehensive income	-	-
Total comprehensive income for the year	2,140,877	1,989,780

Total comprehensive income for the year is all attributable to the owners of the parent company.

**E.H. NICHOLLS HOLDINGS LIMITED
AND ITS SUBSIDIARY UNDERTAKINGS
GROUP BALANCE SHEET**

AS AT 31 MARCH 2023

		2023		2022	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	12	16,797,354		16,313,256	
Investment property	13	22,920,806		22,871,726	
Investments	14	221,181		148,500	
		39,939,341		39,333,482	
Current assets					
Stocks	17	190,080		271,166	
Debtors	18	6,675,077		6,199,289	
Cash at bank and in hand		2,420,207		3,133,068	
		9,285,364		9,603,523	
Creditors: amounts falling due within one year	20	(5,267,008)		(6,479,898)	
Net current assets		4,018,356		3,123,625	
Total assets less current liabilities		43,957,697		42,457,107	
Creditors: amounts falling due after more than one year	22	(1,973,608)		(1,052,346)	
Provisions for liabilities					
Deferred tax liability	23	793,123		566,922	
		(793,123)		(566,922)	
Net assets		41,190,966		40,837,839	
Capital and reserves					
Called up share capital	25	280,000		100,000	
Share premium account		500,000		-	
Capital redemption reserve		20,000		-	
Profit and loss reserves		40,390,966		40,737,839	
Total equity		41,190,966		40,837,839	

The financial statements were approved by the board of directors and authorised for issue on 22 December 2023 and are signed on its behalf by:

Mr. P. Nicholls
Director

Company registration number 03908191 (England and Wales)

**E.H. NICHOLLS HOLDINGS LIMITED
AND ITS SUBSIDIARY UNDERTAKINGS
COMPANY BALANCE SHEET**

AS AT 31 MARCH 2023

		2023		2022	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	12		6,148,585		5,959,504
Investment property	13		22,920,806		22,871,726
Investments	14		112,683		200,000
			<u>29,182,074</u>		<u>29,031,230</u>
Current assets					
Debtors	18	10,367,105		9,453,575	
Cash at bank and in hand		2,079,909		2,910,319	
		<u>12,447,014</u>		<u>12,363,894</u>	
Creditors: amounts falling due within one year	20	(1,999,588)		(2,729,259)	
Net current assets			<u>10,447,426</u>		<u>9,634,635</u>
Total assets less current liabilities			<u>39,629,500</u>		<u>38,665,865</u>
Creditors: amounts falling due after more than one year	22		(1,973,608)		(1,052,346)
Provisions for liabilities					
Deferred tax liability	23	451,105		238,713	
		<u>(451,105)</u>		<u>(238,713)</u>	
Net assets			<u><u>37,204,787</u></u>		<u><u>37,374,806</u></u>
Capital and reserves					
Called up share capital	25		280,000		100,000
Share premium account			500,000		-
Capital redemption reserve			20,000		-
Profit and loss reserves			<u>36,404,787</u>		<u>37,274,806</u>
Total equity			<u><u>37,204,787</u></u>		<u><u>37,374,806</u></u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £1,617,731 (2022 - £1,145,887 profit).

The financial statements were approved by the board of directors and authorised for issue on 22 December 2023 and are signed on its behalf by:

Mr. P. Nicholls
Director

Company registration number 03908191 (England and Wales)

**E.H. NICHOLLS HOLDINGS LIMITED
AND ITS SUBSIDIARY UNDERTAKINGS
GROUP STATEMENT OF CHANGES IN EQUITY**

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Share capital £	Share premium account £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 April 2021		100,000	-	-	38,913,369	39,013,369
Year ended 31 March 2022:						
Profit and total comprehensive income		-	-	-	1,989,780	1,989,780
Dividends	11	-	-	-	(165,310)	(165,310)
Balance at 31 March 2022		100,000	-	-	40,737,839	40,837,839
Year ended 31 March 2023:						
Profit and total comprehensive income		-	-	-	2,140,877	2,140,877
Issue of share capital	25	200,000	500,000	-	-	700,000
Dividends	11	-	-	-	(137,750)	(137,750)
Own shares acquired		-	-	-	(2,350,000)	(2,350,000)
Redemption of shares	25	(20,000)	-	20,000	-	-
Balance at 31 March 2023		280,000	500,000	20,000	40,390,966	41,190,966

**E.H. NICHOLLS HOLDINGS LIMITED
AND ITS SUBSIDIARY UNDERTAKINGS
COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023**

	Notes	Share capital £	Share premium account £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 April 2021		100,000	-	-	36,294,229	36,394,229
Year ended 31 March 2022:						
Profit and total comprehensive income for the year		-	-	-	1,145,887	1,145,887
Dividends	11	-	-	-	(165,310)	(165,310)
Balance at 31 March 2022		100,000	-	-	37,274,806	37,374,806
Year ended 31 March 2023:						
Profit and total comprehensive income		-	-	-	1,617,731	1,617,731
Issue of share capital	25	200,000	500,000	-	-	700,000
Dividends	11	-	-	-	(137,750)	(137,750)
Own shares acquired		-	-	-	(2,350,000)	(2,350,000)
Redemption of shares	25	(20,000)	-	20,000	-	-
Balance at 31 March 2023		280,000	500,000	20,000	36,404,787	37,204,787

**E.H. NICHOLLS HOLDINGS LIMITED
AND ITS SUBSIDIARY UNDERTAKINGS**
GROUP STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

		2023	2022
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	30	4,627,344	4,583,353
Interest paid		(133,692)	(89,053)
Income taxes paid		(127,661)	(281,323)
Net cash inflow from operating activities		4,365,991	4,212,977
Investing activities			
Purchase of tangible fixed assets		(2,588,160)	(2,394,448)
Proceeds from disposal of tangible fixed assets		184,319	110,544
Purchase of investment property		(49,080)	-
Purchase of associates		(1)	-
Purchase of investments		(72,680)	(23,500)
Loans made to other entities		(647,751)	-
Interest received		11,550	801
Net cash used in investing activities		(3,161,803)	(2,306,603)
Financing activities			
Purchase of treasury shares		(2,350,000)	-
Repayment of borrowings		(626,500)	(208,250)
Proceeds from new bank loans		2,100,000	-
Repayment of bank loans		(899,221)	(624,693)
Dividends paid to equity shareholders		(137,750)	(165,310)
Net cash used in financing activities		(1,913,471)	(998,253)
Net (decrease)/increase in cash and cash equivalents		(709,283)	908,121
Cash and cash equivalents at beginning of year		3,129,490	2,221,369
Cash and cash equivalents at end of year		2,420,207	3,129,490
Relating to:			
Cash at bank and in hand		2,420,207	3,133,068
Bank overdrafts included in creditors payable within one year		-	(3,578)

**E.H. NICHOLLS HOLDINGS LIMITED
AND ITS SUBSIDIARY UNDERTAKINGS
COMPANY STATEMENT OF CASH FLOWS**

FOR THE YEAR ENDED 31 MARCH 2023

		2023		2022	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash generated from operations	31	3,307,217		4,015,774	
Interest paid		(130,575)		(86,092)	
Income taxes paid		(32,875)		(281,323)	
Net cash inflow from operating activities		<u>3,143,767</u>		<u>3,648,359</u>	
Investing activities					
Purchase of tangible fixed assets		(1,958,260)		(1,821,917)	
Proceeds from disposal of tangible fixed assets		179,319		110,044	
Purchase of investment property		(49,080)		-	
Purchase of associates		(1)		-	
Purchase of investments		(12,680)		-	
Loans made		(647,751)		-	
Interest received		11,247		504	
Net cash used in investing activities		<u>(2,477,206)</u>		<u>(1,711,369)</u>	
Financing activities					
Purchase of shares		(2,350,000)		-	
Repayment of borrowings		(210,000)		-	
Proceeds from new bank loans		2,100,000		-	
Repayment of bank loans		(899,221)		(624,693)	
Dividends paid to equity shareholders		(137,750)		(165,310)	
Net cash used in financing activities		<u>(1,496,971)</u>		<u>(790,003)</u>	
Net (decrease)/increase in cash and cash equivalents		<u>(830,410)</u>		<u>1,146,987</u>	
Cash and cash equivalents at beginning of year		2,910,319		1,763,332	
Cash and cash equivalents at end of year		<u><u>2,079,909</u></u>		<u><u>2,910,319</u></u>	

**E.H. NICHOLLS HOLDINGS LIMITED
AND ITS SUBSIDIARY UNDERTAKINGS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

1 Judgements and key sources of estimation uncertainty

In the application of the group'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.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Assessing indicators of impairment

In assessing whether there have been any indicators of impairments of assets, the directors have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. There have been no material indicators of impairments identified during the current financial year other than in respect of bad and doubtful trade debtor balances recognised in the financial statements.

Determining residual values and useful economic lives of property, plant and equipment

The company depreciates tangible assets over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied by management. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes.

Judgement is applied by management when determining the residual values for tangible fixed assets. When determining the residual value management aim to assess the amount that the company would currently obtain for the disposal of the asset, if it were already of the condition expected at the end of its useful economic life. Where possible this is done with reference to external market prices.

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.

Estimating value in use

Where an indication of impairment exists the directors will carry out an impairment review to determine the recoverable amount, which is the higher of fair value less cost to sell and value in use. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the asset or the cash generating unit and a suitable discount rate in order to calculate present value.

Recoverability of receivables

The company establishes a provision for receivables that are estimated not to be recoverable. When assessing recoverability the directors consider factors such as the ageing of the receivables, past experience of recoverability, and the credit profile of individual or groups of customers.

E.H. NICHOLLS HOLDINGS LIMITED AND ITS SUBSIDIARY UNDERTAKINGS NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

2 Accounting policies

Company information

E.H. Nicholls Holdings Limited ("the company") is a limited company domiciled and incorporated in England and Wales. The registered office is Sittingbourne Logistics Park, Swale Way, Sittingbourne, Kent, ME10 2FF.

The group consists of E.H. Nicholls Holdings Limited and all of its subsidiaries.

2.1 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, modified to include investment properties at fair value. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £1,617,731 (2022 - £1,145,887 profit).

2.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

**E.H. NICHOLLS HOLDINGS LIMITED
AND ITS SUBSIDIARY UNDERTAKINGS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

2 Accounting policies

(Continued)

The consolidated financial statements incorporate those of E.H. Nicholls Holdings Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 March 2023. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The group profit and loss account and statement of cash flows also include the results and cash flows of E.H. Nicholls, Jnr. Limited and Sittingbourne Retail Park Limited.

2.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group 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.

2.4 Turnover

Turnover represents net invoiced sales of haulage services provided and rents receivable excluding value added tax during the year. Rental income is recognised by reference to the period the facilities are provided and haulage income is recognised when the company has completed its service obligations.

2.5 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:

Freehold buildings	2% on cost
Fixtures, fittings & equipment	20% on cost
Motor vehicles	20% / 33% on cost

2.6 Investment properties

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. The surplus or deficit on revaluation is recognised in the profit and loss account.

2.7 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

**E.H. NICHOLLS HOLDINGS LIMITED
AND ITS SUBSIDIARY UNDERTAKINGS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

2 Accounting policies

(Continued)

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

2.8 Impairment of fixed assets

At each reporting period end date, the group 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.

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

Recoverable amount is the higher of fair value less costs to sell and value in use.

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.

2.9 Stocks

Stocks are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, those overheads that have been incurred in bringing the stocks to their present location and condition.

2.10 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.

2.11 Financial instruments

The group applies the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's statement of financial position when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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 debtors 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.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date.

**E.H. NICHOLLS HOLDINGS LIMITED
AND ITS SUBSIDIARY UNDERTAKINGS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

2 Accounting policies

(Continued)

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 group after deducting all of its liabilities.

Basic financial liabilities, including creditors, bank loans and loans from fellow group companies, 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 receipts 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 creditors 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 creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

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

2.12 Equity instruments

Equity instruments issued by the group 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 group.

2.13 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 group'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 is provided in respect of the tax effect of all timing differences that have originated but not reversed at the balance sheet date.

A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on a non-discounted basis, at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**E.H. NICHOLLS HOLDINGS LIMITED
AND ITS SUBSIDIARY UNDERTAKINGS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

2 Accounting policies

(Continued)

2.14 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.

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.

2.15 Retirement benefits

The group operates a defined contribution pension scheme for the benefit of its employees. Contributions are charged to the profit and loss account in the year they are payable.

2.16 Foreign exchange

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All exchange differences are taken to the profit and loss account

3 Turnover and other revenue

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

	2023	2022
	£	£
Turnover analysed by geographical market		
United Kingdom	20,053,032	19,697,614
European Union	5,480,492	4,828,397
	<u>25,533,524</u>	<u>24,526,011</u>

	2023	2022
	£	£
Other revenue		
Interest income	11,550	801
Grants received	4,479	16,310
	<u>16,029</u>	<u>17,111</u>

4 Operating profit

	2023	2022
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange (gains)/losses	(24,309)	12,501
Government grants	(4,479)	(16,310)
Depreciation of owned tangible fixed assets	2,026,207	1,982,009
Profit on disposal of tangible fixed assets	(106,464)	(43,776)
	<u>1,891,055</u>	<u>1,934,425</u>

**E.H. NICHOLLS HOLDINGS LIMITED
AND ITS SUBSIDIARY UNDERTAKINGS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 MARCH 2023

5 Auditor's remuneration

	2023	2022
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	22,500	20,500
Audit of the financial statements of the company's subsidiaries	19,400	17,700
	<u>41,900</u>	<u>38,200</u>

6 Employees

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

	2023	2022
	Number	Number
Drivers	134	121
Office & management	31	33
	<u>165</u>	<u>154</u>

Their aggregate remuneration comprised:

	2023	2022
	£	£
Wages and salaries	7,256,469	6,215,676
Social security costs	803,319	658,719
Pension costs	126,072	271,637
	<u>8,185,860</u>	<u>7,146,032</u>

7 Directors' remuneration

	2023	2022
	£	£
Remuneration for qualifying services	117,345	119,160
Company pension contributions to defined contribution schemes	1,321	41,321
	<u>118,666</u>	<u>160,481</u>

**E.H. NICHOLLS HOLDINGS LIMITED
AND ITS SUBSIDIARY UNDERTAKINGS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

8 Interest receivable and similar income

	2023	2022
	£	£
Interest income		
Interest on bank deposits	10,234	366
Other interest income	1,316	435
	<u>11,550</u>	<u>801</u>
	2023	2022
	£	£
Investment income includes the following:		
Interest on financial assets not measured at fair value through profit or loss	10,234	366
	<u>10,234</u>	<u>366</u>

9 Interest payable and similar expenses

	2023	2022
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	127,692	38,574
Other interest on financial liabilities	6,000	50,479
	<u>133,692</u>	<u>89,053</u>

10 Taxation

	2023	2022
	£	£
Current tax		
UK corporation tax on profits for the current period	270,819	263,352
	<u>270,819</u>	<u>263,352</u>
Deferred tax		
Origination and reversal of timing differences	226,201	382,565
Adjustment in respect of prior periods	(3,394)	(531)
	<u>222,807</u>	<u>382,034</u>
Total deferred tax	<u>222,807</u>	<u>382,034</u>
Total tax charge	<u>493,626</u>	<u>645,386</u>

**E.H. NICHOLLS HOLDINGS LIMITED
AND ITS SUBSIDIARY UNDERTAKINGS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

10 Taxation

(Continued)

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

	2023	2022
	£	£
Profit before taxation	2,634,503	2,635,166
	<u> </u>	<u> </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2022: 19.00%)	500,556	500,682
Tax effect of expenses that are not deductible in determining taxable profit	28,181	59,562
Adjustments in respect of prior years	(3,394)	872
Effect of change in corporation tax rate	49,951	78,087
Group relief	-	199
Permanent capital allowances in excess of depreciation	(99,269)	(136,644)
Research and development tax credit	-	(4,504)
Fixed asset differences	16,842	147,132
Other timing differences	759	-
	<u> </u>	<u> </u>
Taxation charge	493,626	645,386
	<u> </u>	<u> </u>

11 Dividends

	2023	2022
	£	£
Recognised as distributions to equity holders:		
Interim paid	137,750	165,310
	<u> </u>	<u> </u>

**E.H. NICHOLLS HOLDINGS LIMITED
AND ITS SUBSIDIARY UNDERTAKINGS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

12 Tangible fixed assets

Group	Freehold buildings	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 April 2022	12,888,551	348,049	16,303,186	29,539,786
Additions	554,646	83,736	1,949,778	2,588,160
Disposals	-	-	(867,227)	(867,227)
At 31 March 2023	13,443,197	431,785	17,385,737	31,260,719
Depreciation and impairment				
At 1 April 2022	1,389,665	275,008	11,561,857	13,226,530
Depreciation charged in the year	219,435	37,988	1,768,784	2,026,207
Eliminated in respect of disposals	-	-	(789,372)	(789,372)
At 31 March 2023	1,609,100	312,996	12,541,269	14,463,365
Carrying amount				
At 31 March 2023	11,834,097	118,789	4,844,468	16,797,354
At 31 March 2022	11,498,886	73,041	4,741,329	16,313,256
Company				
	Freehold buildings	Motor vehicles	Total	
	£	£	£	
Cost				
At 1 April 2022	1,366,983	16,018,153	17,385,136	
Additions	120,000	1,838,260	1,958,260	
Disposals	-	(831,727)	(831,727)	
At 31 March 2023	1,486,983	17,024,686	18,511,669	
Depreciation and impairment				
At 1 April 2022	-	11,425,632	11,425,632	
Depreciation charged in the year	-	1,717,944	1,717,944	
Eliminated in respect of disposals	-	(780,492)	(780,492)	
At 31 March 2023	-	12,363,084	12,363,084	
Carrying amount				
At 31 March 2023	1,486,983	4,661,602	6,148,585	
At 31 March 2022	1,366,983	4,592,521	5,959,504	

**E.H. NICHOLLS HOLDINGS LIMITED
AND ITS SUBSIDIARY UNDERTAKINGS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

13 Investment property

	Group 2023 £	Company 2023 £
Fair value		
At 1 April 2022	22,871,726	22,871,726
Additions through external acquisition	49,080	49,080
At 31 March 2023	<u>22,920,806</u>	<u>22,920,806</u>

Investment property comprises land and property at Sittingbourne Retail Park. During the year ended 31 March 2018, the Directors reassessed the valuation of the investment property with assistance from external sources, registered with the Royal Institute of Chartered Surveyors. The valuation was made on an open market basis by reference to market evidence of transaction prices for similar properties. Subsequent additions to investment properties are valued at cost. The Directors believe this basis continues to be a reasonable estimate of the fair value of the property as at 31 March 2023.

14 Fixed asset investments

		Group 2023 £	2022 £	Company 2023 £	2022 £
	Notes				
Investments in subsidiaries	15	-	-	100,002	200,000
Investments in associates	16	1	-	1	-
Listed investments		125,000	125,000	-	-
Unlisted investments		96,180	23,500	12,680	-
		<u>221,181</u>	<u>148,500</u>	<u>112,683</u>	<u>200,000</u>
Listed investments included above:					
Market value if different from carrying amount		<u>126,396</u>	<u>134,727</u>	<u>-</u>	<u>-</u>

Movements in fixed asset investments

Group	Shares in associates £	Other investments £	Total £
Cost or valuation			
At 1 April 2022	-	148,500	148,500
Additions	1	72,680	72,681
At 31 March 2023	<u>1</u>	<u>221,180</u>	<u>221,181</u>
Carrying amount			
At 31 March 2023	<u>1</u>	<u>221,180</u>	<u>221,181</u>
At 31 March 2022	<u>-</u>	<u>148,500</u>	<u>148,500</u>

**E.H. NICHOLLS HOLDINGS LIMITED
AND ITS SUBSIDIARY UNDERTAKINGS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

14 Fixed asset investments (Continued)

Movements in fixed asset investments Company	Shares in subsidiaries and associates	Other investments	Total
	£	£	£
Cost or valuation			
At 1 April 2022	200,000	-	200,000
Additions	1	12,680	12,681
Valuation changes	(99,998)	-	(99,998)
	<u>100,003</u>	<u>12,680</u>	<u>112,683</u>
At 31 March 2023			
	<u>100,003</u>	<u>12,680</u>	<u>112,683</u>
Carrying amount			
At 31 March 2023	<u>100,003</u>	<u>12,680</u>	<u>112,683</u>
	<u>200,000</u>	<u>-</u>	<u>200,000</u>
At 31 March 2022	<u>200,000</u>	<u>-</u>	<u>200,000</u>

15 Subsidiaries

Details of the company's subsidiaries at 31 March 2023 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
E.H. Nicholls, Jnr. Limited	England and Wales	Haulage contractor	Ordinary	100.00
North Sittingbourne Developments Limited	England and Wales	Dormant	Ordinary	50.00
Sittingbourne Retail Park Limited	England and Wales	Dormant	Ordinary	100.00

16 Associates

Details of associates at 31 March 2023 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
Sheppey Gateway Ltd	England and Wales	Property developer	Ordinary £1	33

17 Stocks

	Group 2023	2022	Company 2023	2022
	£	£	£	£
Raw materials and consumables	190,080	271,166	-	-
	<u>190,080</u>	<u>271,166</u>	<u>-</u>	<u>-</u>

**E.H. NICHOLLS HOLDINGS LIMITED
AND ITS SUBSIDIARY UNDERTAKINGS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

18 Debtors

	Group 2023	2022	Company 2023	2022
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	4,467,387	4,774,020	140,000	-
Corporation tax recoverable	-	12,785	-	12,785
Amounts owed by group undertakings	-	-	8,323,250	8,310,251
Other debtors	847,728	75,602	831,046	54,993
Prepayments and accrued income	1,359,962	1,336,882	1,072,809	1,075,546
	<u>6,675,077</u>	<u>6,199,289</u>	<u>10,367,105</u>	<u>9,453,575</u>

19 Financial instruments

	Group 2023	2022	Company 2023	2022
	£	£	£	£
Carrying amount of financial assets				
Debt instruments measured at amortised cost	5,809,097	5,356,518	9,788,278	8,872,140
Equity instruments measured at cost less impairment	221,180	148,500	12,680	-
	<u>6,030,277</u>	<u>5,505,018</u>	<u>9,800,958</u>	<u>8,872,140</u>
Carrying amount of financial liabilities				
Measured at fair value through profit or loss	-	-	-	-
Measured at amortised cost	6,497,060	7,101,585	3,864,044	3,781,349
	<u>6,497,060</u>	<u>7,101,585</u>	<u>3,864,044</u>	<u>3,781,349</u>

20 Creditors: amounts falling due within one year

		Group 2023	2022	Company 2023	2022
	Notes	£	£	£	£
Bank loans and overdrafts	21	944,455	668,516	944,455	664,938
Other borrowings	21	90,000	1,416,500	90,000	1,000,000
Trade creditors		1,887,458	2,444,006	351,024	422,386
Amounts owed to group undertakings		-	-	2	100,000
Corporation tax payable		243,116	116,137	79,850	-
Other taxation and social security		500,440	320,095	29,302	256
Other creditors		728,485	724,382	504,955	541,679
Accruals and deferred income		873,054	790,262	-	-
		<u>5,267,008</u>	<u>6,479,898</u>	<u>1,999,588</u>	<u>2,729,259</u>

**E.H. NICHOLLS HOLDINGS LIMITED
AND ITS SUBSIDIARY UNDERTAKINGS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

21 Loans and overdrafts

	Group 2023 £	2022 £	Company 2023 £	2022 £
Bank loans	2,918,063	1,717,284	2,918,063	1,717,284
Bank overdrafts	-	3,578	-	-
Other loans	90,000	1,416,500	90,000	1,000,000
	<u>3,008,063</u>	<u>3,137,362</u>	<u>3,008,063</u>	<u>2,717,284</u>
Payable within one year	1,034,455	2,085,016	1,034,455	1,664,938
Payable after one year	<u>1,973,608</u>	<u>1,052,346</u>	<u>1,973,608</u>	<u>1,052,346</u>

The group has loans of £90,000 (2022: £300,000) due to the majority shareholder and £nil (2022: £700,000) due to another related party. Interest on both loans was payable at 9% (2022: 9%) per annum.

In 2014 a bank loan of £6,000,000 was granted by Lloyds Bank Plc to assist with the construction of Sittingbourne Logistics Park at Swale Way, Sittingbourne, Kent. This loan is repayable in 120 monthly instalments commencing in December 2014. This loan bears interest at 1.56% per annum over the base rate. The loan is secured against the property at Sittingbourne Retail Park.

In 2015 an interest free loan of £2,499,000 was granted by Kent County Council to assist with the construction of Sittingbourne Logistics Park at Swale Way, Sittingbourne, Kent. This loan is repayable in 12 bi-annual instalments commencing in September 2015. The loan is secured against the freehold property of the subsidiary company, E.H. Nicholls, Jnr. Limited. During the prior year, a repayment holiday was awarded to the group in light of the COVID-19 pandemic, the loan was repaid in full in May 2022.

In 2022 a bank loan of £2,100,000 was granted by Handelsbanken. This loan is repayable in 36 monthly instalments commencing July 2022. the loan bears interest at 2.15% per annum over the Bank of England base rate. The loan is secured against the property at Sittingbourne Logistics Park and by cross guarantees between the group undertakings.

22 Creditors: amounts falling due after more than one year

		Group 2023 £	2022 £	Company 2023 £	2022 £
	Notes				
Bank loans and overdrafts	21	<u>1,973,608</u>	<u>1,052,346</u>	<u>1,973,608</u>	<u>1,052,346</u>

**E.H. NICHOLLS HOLDINGS LIMITED
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23 Deferred taxation

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

	Liabilities 2023 £	Liabilities 2022 £
Group		
Accelerated capital allowances	342,018	328,209
Fixed asset timing differences	451,105	238,713
	<u>793,123</u>	<u>566,922</u>
	<u><u>793,123</u></u>	<u><u>566,922</u></u>
	Liabilities 2023 £	Liabilities 2022 £
Company		
Fixed asset timing differences	451,105	238,713
	<u>451,105</u>	<u>238,713</u>
	<u><u>451,105</u></u>	<u><u>238,713</u></u>
	Group 2023 £	Company 2023 £
Movements in the year:		
Liability at 1 April 2022	566,922	238,713
Charge to profit or loss	226,201	212,392
	<u>793,123</u>	<u>451,105</u>
Liability at 31 March 2023	<u><u>793,123</u></u>	<u><u>451,105</u></u>

24 Retirement benefit schemes

	2023 £	2022 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	126,072	271,637
	<u>126,072</u>	<u>271,637</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

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25 Share capital

Group and company	2023	2022	2023	2022
Ordinary share capital	Number	Number	£	£
Issued and fully paid				
'A' Ordinary shares of £1 each	43,000	43,000	43,000	43,000
'B' Ordinary shares of £1 each	11,000	11,000	11,000	11,000
'C' Ordinary shares of £1 each	20,000	20,000	20,000	20,000
'D' Ordinary shares of £1 each	-	20,000	-	20,000
'E' Ordinary shares of £1 each	6,000	6,000	6,000	6,000
	<u>80,000</u>	<u>100,000</u>	<u>80,000</u>	<u>100,000</u>
	2023	2022	2023	2022
Preference share capital	Number	Number	£	£
Issued and fully paid				
Redeemable preference shares of £1 each	200,000	-	200,000	-
	<u>200,000</u>	<u>-</u>	<u>200,000</u>	<u>-</u>
Preference shares classified as equity			200,000	-
			<u>200,000</u>	<u>-</u>
Total equity share capital			<u>280,000</u>	<u>100,000</u>

On 30 June 2022, the company purchased 20,000 Ordinary 'D' shares for an aggregate amount of £2,350,000. Each share had a nominal value of £1.

All classes of share carry one vote and rank pari passu in all respects.

On 30 August 2022, the company issued and allotted 200,000 redeemable preference shares. The aggregate nominal value of these shares was £200,000. £700,000 was received in respect of this allotment in the form of repaying an existing shareholders' loan balance.

26 Financial commitments, guarantees and contingent liabilities

A loan in favour of Lloyds Bank Plc is secured against the property at Sittingbourne Retail Park. At 31 March 2023 the amount outstanding on this loan was £1,093,063 (2022: £1,717,284).

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27 Operating lease commitments

Lessor

The operating leases represent leased property to third parties. The leases are negotiated over terms of 1 - 25 years. All leases include a provision for five-yearly upward rent reviews according to prevailing market conditions. There are no options in place for either party to extend the lease terms.

At the reporting end date the group had contracted with tenants for the following minimum lease payments:

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Within one year	1,392,463	1,604,488	1,392,463	1,604,488
Between two and five years	3,400,914	4,261,736	3,400,914	4,261,736
In over five years	2,494,237	2,808,832	2,494,237	2,808,832
	<u>7,287,614</u>	<u>8,675,056</u>	<u>7,287,614</u>	<u>8,675,056</u>

28 Capital commitments

Amounts contracted for but not provided in the financial statements:

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Acquisition of tangible fixed assets	-	303,697	-	-
	<u>-</u>	<u>303,697</u>	<u>-</u>	<u>-</u>

29 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2023	2022
	£	£
Aggregate compensation	<u>320,190</u>	<u>438,969</u>

The following amounts were outstanding at the reporting end date:

Amounts due to related parties	2023	2022
	£	£
Group		
Entities with control, joint control or significant influence over the group	<u>90,000</u>	<u>1,000,000</u>

Amounts due from related parties as at the year-end represent a loan made to a person connected with a director. The amounts outstanding are unsecured and will be settled in cash.

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29 Related party transactions

(Continued)

Other information

Included in amounts due to related parties was an amount payable to the majority shareholder of £90,000 (2022: £300,000). Interest on this loan of £Nil (2022: £28,036) was charged during the year. Interest of £Nil (2022: £24,219) was outstanding at the year end.

At 31 March 2023 there was also an amount payable to a shareholder (formerly due to a director shareholder) of £Nil (2022: £700,000). Interest on this loan of £Nil (2022: £22,443) was charged during the year. Accumulated interest totalling £Nil (2022: £103,958) was outstanding at the year end.

30 Cash generated from group operations

	2023	2022
	£	£
Profit for the year after tax	2,140,877	1,989,780
Adjustments for:		
Taxation charged	493,626	645,386
Finance costs	133,692	89,053
Investment income	(11,550)	(801)
Gain on disposal of tangible fixed assets	(106,464)	(43,776)
Depreciation and impairment of tangible fixed assets	2,026,207	1,982,009
Movements in working capital:		
Decrease/(increase) in stocks	81,086	(69,647)
Decrease/(increase) in debtors	59,179	(263,954)
(Decrease)/increase in creditors	(189,309)	255,303
Cash generated from operations	4,627,344	4,583,353

31 Cash generated from operations - company

	2023	2022
	£	£
Profit for the year after tax	1,617,731	1,145,887
Adjustments for:		
Taxation charged	337,902	426,331
Finance costs	130,575	86,092
Investment income	(11,247)	(504)
Gain on disposal of tangible fixed assets	(128,084)	(43,277)
Depreciation and impairment of tangible fixed assets	1,717,944	1,701,396
Movements in working capital:		
(Increase)/decrease in debtors	(278,564)	569,709
(Decrease)/increase in creditors	(79,040)	130,140
Cash generated from operations	3,307,217	4,015,774

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32 Analysis of changes in net debt - group

	1 April 2022	Cash flows	Other non-cash changes	31 March 2023
	£	£	£	£
Cash at bank and in hand	3,133,068	(712,861)	-	2,420,207
Bank overdrafts	(3,578)	3,578	-	-
	<u>3,129,490</u>	<u>(709,283)</u>	<u>-</u>	<u>2,420,207</u>
Borrowings excluding overdrafts	(3,133,784)	(574,279)	700,000	(3,008,063)
	<u>(4,294)</u>	<u>(1,283,562)</u>	<u>700,000</u>	<u>(587,856)</u>

33 Analysis of changes in net funds/(debt) - company

	1 April 2022	Cash flows	Other non-cash changes	31 March 2023
	£	£	£	£
Cash at bank and in hand	2,910,319	(830,410)	-	2,079,909
Borrowings excluding overdrafts	(2,717,284)	(990,779)	700,000	(3,008,063)
	<u>193,035</u>	<u>(1,821,189)</u>	<u>700,000</u>	<u>(928,154)</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.