

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023
FOR
BCD LOGISTICS LTD**

RFM Audit Services LLP, Statutory Auditor
120-124 Towngate
Leyland
Lancashire
PR25 2LQ

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FOR THE YEAR ENDED 30 JUNE 2023**

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BCD LOGISTICS LTD
COMPANY INFORMATION
FOR THE YEAR ENDED 30 JUNE 2023

DIRECTORS: Mr G W Bethel
Mr M Dixon

REGISTERED OFFICE: Cedar House
123 Worsley Road
Manchester
Greater Manchester
M28 2WG

BUSINESS ADDRESS: c/o The Green Group
Barton Dock Road
Trafford Park
Manchester
M32 0ZG

REGISTERED NUMBER: 08951921 (England and Wales)

AUDITORS: RFM Audit Services LLP, Statutory Auditor
120-124 Towngate
Leyland
Lancashire
PR25 2LQ

**STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

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

REVIEW OF BUSINESS

The year benefited from consistent and stable workflows. Turnover fell due to fluctuations in fuel surcharges over the year however profit margins remained strong. This year solidified the company position with 3 years of net growth, strong performance and high levels of liquidity. Continuing focus on strong customer relations, ongoing growth of the customer base and high service levels has ensured the company has continued to display strong performance during the year. We continue to strive for improvements in operational performance, focusing on operational efficiencies and staff investment. Fleet and technology remain at the forefront of our investment policy to help drive ongoing efficiencies. The continuing strong trading performance ensures company liquidity remains strong and gearing low and has enabled continued investment into the future success of the company.

PRINCIPAL RISKS AND UNCERTAINTIES

Two of the main risks to the business are consistency of workflows delivered from sea and downward rate pressure. During the second half of 2023, workflow was consistent, however 2024 has shown signs of fluctuating volumes caused by a cooling market and little growth, global unrest and issues entering the Suez canal as well as inflation and the cost of living suppressing consumer purchasing power. The industry is experiencing downward rate pressure from some shipping lines which has started to impact on smaller hauliers in the industry and will mean a realignment in the industry as a whole. Ongoing growth of locally based hubs has helped to reduce the impact of sea volume fluctuations but strong competition, service level expectations, fuel prices and VOSA compliance are always in the forefront of daily business risks and uncertainties. Fuel prices falling during the year lead to reduced turnover but pricing structures addressed this risk and are paramount to maintaining company performance. Compliance with VOSA road safety is engrained within the company's ethos, with ongoing investment in the overall fleet, high standards required from commercial partners and continuous staff training. This approach has resulted in the company continuing to achieve all Green VOSA scores. During the year the trading partnership with JME Transport & Distribution Ltd continued to grow and brings diversification into the general haulage market. A loan made to JME Transport & Distribution Ltd has been prudently provided against within the accounts. The Directors continue to expect this to be a mutually beneficial partnership in the long term.

DEVELOPMENT AND PERFORMANCE

The company will continue to aim for consistent performance, profit margin and business growth in strategically identified areas. However, fluctuating volumes are expected for the rest of 2024. Flexibility has been built in to the fleet renewal policy and with the company's liquidity position improving year on year, the Directors feel strongly that the company will continue to grow in 2025. Development and growth of the customer base and internal investment in staff and management are key aims to build a stable company for the future.

**STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

FINANCIAL KEY PERFORMANCE INDICATORS

The financial key performance indicators used by the company to assess performance are as follows:

- Turnover fell by 6.3% when compared to 2022, due to reductions in fuel surcharge rates however net profit after tax remained consistent to previous year.
- Gross Profit Margin increased to 31.05% in 2023, from 30.8% in 2022.
- Overall company gearing fell again from 21.5% in 2022, to 16.1% in 2023.

ON BEHALF OF THE BOARD:

Mr G W Bethel - Director

17 May 2024

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 JUNE 2023**

The directors present their report with the financial statements of the company for the year ended 30 June 2023.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of road haulage and distribution.

DIVIDENDS

Interim dividends per share of £4.16 on Ordinary £1 shares and £7.16 on Ordinary A £1 shares were paid.

The directors recommend that no final dividends be paid.

The total distribution of dividends for the year ended 30 June 2023 was £361,500.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 July 2022 to the date of this report.

Mr G W Bethel

Mr M Dixon

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, RFM Audit Services LLP, Statutory Auditor, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

Mr G W Bethel - Director

17 May 2024

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF BCD LOGISTICS LTD

Opinion

We have audited the financial statements of BCD Logistics Ltd (the 'company') for the year ended 30 June 2023 which comprise the Statement of Income and Retained Earnings, Balance Sheet, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, 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 30 June 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

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.

In connection with our audit of the financial statements, 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 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 the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF BCD LOGISTICS LTD

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 Report of the Directors.

We have nothing to report in respect of the following matters where 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 Statement of Directors' Responsibilities set out on page four, 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 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF BCD LOGISTICS LTD

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 a Report of the Auditors 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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, is detailed below.

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with the directors and other management, and from our commercial knowledge and experience of the haulage industry;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and data protection, VOSA, health and safety, employment and environmental legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias and investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with VOSA, HMRC, relevant regulators including the Health and Safety Executive, and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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 Report of the Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
BCD LOGISTICS LTD**

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 a Report of the Auditors 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.

Alan Meikle (Senior Statutory Auditor)
for and on behalf of RFM Audit Services LLP, Statutory Auditor
120-124 Towngate
Leyland
Lancashire
PR25 2LQ

17 May 2024

**STATEMENT OF INCOME AND
RETAINED EARNINGS
FOR THE YEAR ENDED 30 JUNE 2023**

	Notes	2023 £	2022 £
TURNOVER		19,689,933	21,015,887
Cost of sales		13,576,083	14,539,312
GROSS PROFIT		<u>6,113,850</u>	<u>6,476,575</u>
Administrative expenses		3,257,349	3,487,793
OPERATING PROFIT	4	<u>2,856,501</u>	<u>2,988,782</u>
Interest receivable and similar income		23,285	-
		<u>2,879,786</u>	<u>2,988,782</u>
Interest payable and similar expenses	6	106,472	76,636
PROFIT BEFORE TAXATION		<u>2,773,314</u>	<u>2,912,146</u>
Tax on profit	7	630,535	769,014
PROFIT FOR THE FINANCIAL YEAR		<u>2,142,779</u>	<u>2,143,132</u>
Retained earnings at beginning of year		4,862,188	3,360,556
Dividends	8	(361,500)	(641,500)
RETAINED EARNINGS AT END OF YEAR		<u><u>6,643,467</u></u>	<u><u>4,862,188</u></u>

The notes form part of these financial statements

BALANCE SHEET
30 JUNE 2023

	Notes	2023 £	£	2022 £	£
FIXED ASSETS					
Tangible assets	9		4,608,787		4,705,524
CURRENT ASSETS					
Stocks	10	24,053		36,594	
Debtors	11	7,606,556		6,413,981	
Cash at bank and in hand		<u>216,486</u>		<u>408,536</u>	
		7,847,095		6,859,111	
CREDITORS					
Amounts falling due within one year	12	<u>2,485,564</u>		<u>3,298,057</u>	
NET CURRENT ASSETS			<u>5,361,531</u>		<u>3,561,054</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			9,970,318		8,266,578
CREDITORS					
Amounts falling due after more than one year	13		(927,958)		(1,254,607)
PROVISIONS FOR LIABILITIES	17		<u>(2,318,893)</u>		<u>(2,069,783)</u>
NET ASSETS			<u>6,723,467</u>		<u>4,942,188</u>
CAPITAL AND RESERVES					
Called up share capital	18		71,428		71,428
Share premium	19		8,572		8,572
Retained earnings	19		<u>6,643,467</u>		<u>4,862,188</u>
SHAREHOLDERS' FUNDS			<u>6,723,467</u>		<u>4,942,188</u>

The financial statements were approved by the Board of Directors and authorised for issue on 17 May 2024 and were signed on its behalf by:

Mr G W Bethel - Director

Mr M Dixon - Director

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2023**

	Notes	2023 £	2022 £
Cash flows from operating activities			
Cash generated from operations	1	2,615,798	2,502,708
Interest paid		(38,231)	(29,650)
Interest element of hire purchase payments paid		(68,241)	(46,986)
Tax paid		(742,719)	(268,067)
Net cash from operating activities		<u>1,766,607</u>	<u>2,158,005</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(70,492)	(184,037)
Sale of tangible fixed assets		71,667	4,198
Interest received		23,285	-
Net cash from investing activities		<u>24,460</u>	<u>(179,839)</u>
Cash flows from financing activities			
Loan repayments in year		(162,600)	(167,015)
Capital repayments in year		(1,280,011)	(1,314,586)
Amount introduced by directors		361,501	641,501
Amount withdrawn by directors		(540,507)	(423,764)
Equity dividends paid		(361,500)	(641,500)
Net cash from financing activities		<u>(1,983,117)</u>	<u>(1,905,364)</u>
(Decrease)/increase in cash and cash equivalents		<u>(192,050)</u>	<u>72,802</u>
Cash and cash equivalents at beginning of year	2	408,536	335,734
Cash and cash equivalents at end of year	2	<u>216,486</u>	<u>408,536</u>

The notes form part of these financial statements

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2023**

1. **RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	2023	2022
	£	£
Profit before taxation	2,773,314	2,912,146
Depreciation charges	1,060,083	825,971
Profit on disposal of fixed assets	(5,186)	(1,698)
Movement in provisions	215,209	988,958
Finance costs	106,472	76,636
Finance income	(23,285)	-
	<u>4,126,607</u>	<u>4,802,013</u>
Decrease/(increase) in stocks	12,541	(15,872)
Increase in trade and other debtors	(1,192,575)	(2,822,825)
(Decrease)/increase in trade and other creditors	(330,775)	539,392
Cash generated from operations	<u><u>2,615,798</u></u>	<u><u>2,502,708</u></u>

2. **CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 30 June 2023

	30/6/23	1/7/22
	£	£
Cash and cash equivalents	<u>216,486</u>	<u>408,536</u>

Year ended 30 June 2022

	30/6/22	1/7/21
	£	£
Cash and cash equivalents	<u>408,536</u>	<u>335,734</u>

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2023**

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1/7/22 £	Cash flow £	Other non-cash changes £	At 30/6/23 £
Net cash				
Cash at bank and in hand	408,536	(192,050)		216,486
	<u>408,536</u>	<u>(192,050)</u>		<u>216,486</u>
Debt				
Finance leases	(2,215,992)	1,280,011	(959,335)	(1,895,316)
Debts falling due within 1 year	(162,600)	54,200	-	(108,400)
Debts falling due after 1 year	(108,400)	108,400	-	-
	<u>(2,486,992)</u>	<u>1,442,611</u>	<u>(959,335)</u>	<u>(2,003,716)</u>
Total	<u>(2,078,456)</u>	<u>1,250,561</u>	<u>(959,335)</u>	<u>(1,787,230)</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

1. STATUTORY INFORMATION

BCD Logistics Ltd is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

BASIS OF PREPARING THE FINANCIAL STATEMENTS

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

TURNOVER

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

TANGIBLE FIXED ASSETS

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Plant and machinery	-	50% on cost and 33% on cost
Fixtures and fittings	-	50% on cost and 33% on cost
Motor vehicles	-	50% on cost, 33% on cost, 25% on cost, 20% on cost, 15% on cost and 10% on cost
Computer equipment	-	50% on cost and 33% on cost

STOCKS

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

TAXATION

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

DEFERRED TAX

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2023**

2. ACCOUNTING POLICIES - continued**HIRE PURCHASE AND LEASING COMMITMENTS**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Rentals payable and receivable under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

PENSION COSTS AND OTHER POST-RETIREMENT BENEFITS

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

SIGNIFICANT JUDGEMENTS AND ESTIMATES

Significant judgements and estimates made by management in preparing these financial statements which also have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

- Depreciation and impairment of fixed assets
- Connected party loan provision

3. EMPLOYEES AND DIRECTORS

	2023	2022
	£	£
Wages and salaries	3,181,646	763,297
Social security costs	317,886	78,746
Other pension costs	63,924	15,956
	<u>3,563,456</u>	<u>857,999</u>

The average number of employees during the year was as follows:

	2023	2022
Directors	2	2
Staff	86	88
	<u>88</u>	<u>90</u>

	2023	2022
	£	£
Directors' remuneration	<u>12,314</u>	<u>4,750</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>2</u>	<u>2</u>
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**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2023**

4. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2023	2022
	£	£
Depreciation - owned assets	338,829	222,976
Depreciation - assets on hire purchase contracts	721,254	602,996
Profit on disposal of fixed assets	(5,186)	(1,698)
Auditors' remuneration	<u>13,000</u>	<u>13,000</u>

5. EXCEPTIONAL ITEMS

Administrative expenses includes an exceptional item of £350,000 relating to a provision against a Related Party loan. See note 18 for further details.

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2023	2022
	£	£
Bank loan interest payable	21,642	11,630
Factoring Interest	16,589	18,020
Hire purchase interest	<u>68,241</u>	<u>46,986</u>
	<u>106,472</u>	<u>76,636</u>

7. TAXATION**Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

	2023	2022
	£	£
Current tax:		
UK corporation tax	596,634	424,411
Deferred tax:		
Origination and reversal of timing differences	<u>33,901</u>	<u>344,603</u>
Tax on profit	<u>630,535</u>	<u>769,014</u>

UK corporation tax has been charged at 20.50% (2022 - 19%).

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2023

7. TAXATION - continued**RECONCILIATION OF TOTAL TAX CHARGE INCLUDED IN PROFIT AND LOSS**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2023	2022
	£	£
Profit before tax	<u>2,773,314</u>	<u>2,912,146</u>
Profit multiplied by the standard rate of corporation tax in the UK of 20.496% (2022 - 19%)	568,418	553,308
Effects of:		
Expenses not deductible for tax purposes	11,667	5,502
Deferred tax - change in rate of tax	6,104	82,705
Super deduction allowance	(27,390)	(62,501)
Connected company loan provision	71,736	190,000
Total tax charge	<u>630,535</u>	<u>769,014</u>

Factors that affect future tax charges: The UK Finance Act 2021 was substantially enacted 24 May 2021, which has increased the UK Corporation tax rate from 19% to 25% from 1 April 2023. The provision for deferred tax has been made at 25%, the rate at which timing differences are expected to reverse.

8. DIVIDENDS

	2023	2022
	£	£
Ordinary shares of £1 each		
Dividends paid	208,000	411,000
Ordinary A shares of £1 each		
Dividends paid	<u>153,500</u>	<u>230,500</u>
	<u>361,500</u>	<u>641,500</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2023

9. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 July 2022	246,230	127,869	6,337,746	88,413	6,800,258
Additions	131	10,720	1,011,335	7,641	1,029,827
Disposals	-	-	(223,175)	-	(223,175)
At 30 June 2023	<u>246,361</u>	<u>138,589</u>	<u>7,125,906</u>	<u>96,054</u>	<u>7,606,910</u>
DEPRECIATION					
At 1 July 2022	163,433	98,030	1,754,709	78,562	2,094,734
Charge for year	19,425	12,305	1,022,018	6,335	1,060,083
Eliminated on disposal	-	-	(156,694)	-	(156,694)
At 30 June 2023	<u>182,858</u>	<u>110,335</u>	<u>2,620,033</u>	<u>84,897</u>	<u>2,998,123</u>
NET BOOK VALUE					
At 30 June 2023	<u>63,503</u>	<u>28,254</u>	<u>4,505,873</u>	<u>11,157</u>	<u>4,608,787</u>
At 30 June 2022	<u>82,797</u>	<u>29,839</u>	<u>4,583,037</u>	<u>9,851</u>	<u>4,705,524</u>

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor vehicles £
COST	
At 1 July 2022	5,151,771
Additions	959,335
Reclassification/transfer	(837,000)
At 30 June 2023	<u>5,274,106</u>
DEPRECIATION	
At 1 July 2022	1,252,325
Charge for year	721,254
Reclassification/transfer	(262,137)
At 30 June 2023	<u>1,711,442</u>
NET BOOK VALUE	
At 30 June 2023	<u>3,562,664</u>
At 30 June 2022	<u>3,899,446</u>

10. STOCKS

	2023 £	2022 £
Fuel stock	<u>24,053</u>	<u>36,594</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2023

11.	DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
		2023	2022
		£	£
	Trade debtors	2,169,716	3,032,447
	Other debtors	4,649,902	3,098,202
	VAT	56,539	85,794
	Prepayments and accrued income	730,399	197,538
		<u>7,606,556</u>	<u>6,413,981</u>
12.	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
		2023	2022
		£	£
	Bank loans and overdrafts (see note 14)	108,400	162,600
	Hire purchase contracts (see note 15)	967,358	1,069,785
	Trade creditors	482,362	980,519
	Corporation tax	278,326	424,411
	Social security and other taxes	93,848	76,863
	Other creditors	50,146	49,604
	Directors' current accounts	100,550	279,556
	Accruals and deferred income	404,574	254,719
		<u>2,485,564</u>	<u>3,298,057</u>
13.	CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR		
		2023	2022
		£	£
	Bank loans (see note 14)	-	108,400
	Hire purchase contracts (see note 15)	927,958	1,146,207
		<u>927,958</u>	<u>1,254,607</u>
14.	LOANS		
	An analysis of the maturity of loans is given below:		
		2023	2022
		£	£
	Amounts falling due within one year or on demand:		
	Bank loans	<u>108,400</u>	<u>162,600</u>
	Amounts falling due between one and two years:		
	Bank loans - 1-2 years	<u>-</u>	<u>108,400</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2023

15. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase	contracts
	2023	2022
	£	£
Gross obligations repayable:		
Within one year	1,052,095	1,151,225
Between one and five years	<u>1,037,247</u>	<u>1,234,111</u>
	<u>2,089,342</u>	<u>2,385,336</u>
Finance charges repayable:		
Within one year	84,737	81,440
Between one and five years	<u>109,289</u>	<u>87,904</u>
	<u>194,026</u>	<u>169,344</u>
Net obligations repayable:		
Within one year	967,358	1,069,785
Between one and five years	<u>927,958</u>	<u>1,146,207</u>
	<u>1,895,316</u>	<u>2,215,992</u>
	Non-cancellable	operating
	2023	leases
	£	2022
		£
Within one year	57,693	83,578
Between one and five years	<u>46,705</u>	<u>84,501</u>
	<u>104,398</u>	<u>168,079</u>

16. SECURED DEBTS

The following secured debts are included within creditors:

	2023	2022
	£	£
Bank loans	108,400	271,000
Hire purchase contracts	<u>1,895,316</u>	<u>2,215,992</u>
	<u>2,003,716</u>	<u>2,486,992</u>

The Bank loan is secured against the company assets. Hire Purchase creditors are secured against the individual assets to which the agreement applies.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2023

17. PROVISIONS FOR LIABILITIES

	2023 £	2022 £
Deferred tax		
Accelerated capital allowances	<u>968,893</u>	<u>934,992</u>
Other provisions		
Refurbishment cost provision	-	134,791
Related Party loan provision	<u>1,350,000</u>	<u>1,000,000</u>
	<u>1,350,000</u>	<u>1,134,791</u>
Aggregate amounts	<u>2,318,893</u>	<u>2,069,783</u>
	Deferred tax £	Other provisions £
Balance at 1 July 2022	934,992	1,134,791
Charge to Income Statement during year	<u>33,901</u>	<u>215,209</u>
Balance at 30 June 2023	<u>968,893</u>	<u>1,350,000</u>

During the year, there was a charge of £33,901 for Deferred Tax and a credit of £134,791 relating to Refurbishment charges, to the Income Statement.

Also during the year, an additional provision of £350,000 was made against the connected company loan to JME Transport & Distribution Ltd, bringing the total provision to £1,350,000 to provide against the potential risk the loan is not fully recovered.

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2023 £	2022 £
50,000	Ordinary	£1	50,000	50,000
21,428	Ordinary A	£1	<u>21,428</u>	<u>21,428</u>
			<u>71,428</u>	<u>71,428</u>

19. RESERVES

	Retained earnings £	Share premium £	Totals £
At 1 July 2022	4,862,188	8,572	4,870,760
Profit for the year	2,142,779		2,142,779
Dividends	<u>(361,500)</u>		<u>(361,500)</u>
At 30 June 2023	<u>6,643,467</u>	<u>8,572</u>	<u>6,652,039</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2023

20. **CHARGES**

HSBC Bank Plc and HSBC Invoice Finance (UK) Ltd hold charges over the assets of the company, including fixed and floating charges and negative pledge, relating to an invoice discounting facility. The invoice discounting facility balance at the year end was £2,899,902 Debtor (2022 - £1,445,852 Debtor). This balance is included within Other Debtors.

21. **RELATED PARTY DISCLOSURES**

During the year, the company entered into transactions with Solent Transport Services Ltd; a related party by virtue of common shareholder and director. Transactions charged by Solent Transport Services Ltd were £13,880 (2022: £40,665) and transactions charged to Solent Transport Services Ltd of £83,762 (2022: £129,242). At the balance sheet, the company was owed £217 (2022: £17,354) from Solent Transport Services Ltd, which was included in trade debtors and owed £4,908 (2022: £1,800) to Solent Transport Services Ltd, which was included in trade creditors. The company was no longer a related party by common shareholders and director from 7 December 2022. The figures shown represent a full year.

During the year, the company entered into transactions with PMG Logistics Ltd; a related party by virtue of common shareholders and directors. Transactions charged by PMG Logistics Ltd of £160,159 (2022: £73,982) and transactions charged to PMG Logistics Ltd of £289,499 (2022: £603,901). At the balance sheet, the company was owed £34,954 (2022: £74,361) from PMG Logistics Ltd, which was included in trade debtors and owed £37,060 (2022: £3,883) to PMG Logistics Ltd, which was included in trade creditors.

During the year, the company entered into transactions with JME Transport & Distribution Ltd; a related party by virtue of common shareholders and directors. Transactions charged by JME Transport & Distribution Ltd of £186,288 (2022: £256,158) and transactions charged to JME Transport & Distribution Ltd of £300,463 (2022: £127,477). At the balance sheet, the company was owed £35,341 (2022: £127,447) from JME Transport & Distribution Ltd, which was included in trade debtors and owed £2,471 (2022: £307,390) to JME Transport & Distribution Ltd, which was included in trade creditors. The company has made an interest free loan to JME Transport & Distribution Ltd of £1,750,000 (2022: £1,650,000) which is included within Other Debtors and is repayable on demand. Provision has been made against this loan for £1,350,000 (2022: £1,000,000).

At the year end the company owed £100,550 (2022: £279,556) to key management personnel. The loans were made on an interest free basis and are repayable on demand.

Dividends paid during the year to the directors and their partners in respect of shares held in the company were £361,500 (2022: £641,500).

22. **ULTIMATE CONTROLLING PARTY**

The ultimate controlling party is Mr G W Bethel.

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.