

Strategic Report, Report of the Directors and
Audited Financial Statements For The Year Ended 31st January 2024
for
KBC Logistics Ltd

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For The Year Ended 31st January 2024

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KBC Logistics Ltd
Company Information
For The Year Ended 31st January 2024

DIRECTORS: A Radzyninski
D Ashford

REGISTERED OFFICE: Hanson Yard
Botany Way
Purfleet
Essex
RM19 1SR

REGISTERED NUMBER: 06468707 (England and Wales)

AUDITORS: Beak Kemmenoe
Chartered Accountants
& Statutory Auditors
1-3 Manor Road
Chatham
Kent
ME4 6AE

Strategic Report
For The Year Ended 31st January 2024

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

REVIEW OF BUSINESS

KBC Logistics Ltd is a specialist transport company where we specialise in reliable and efficient haulage services tailored to meet the diverse needs to our clients. With years of experience in the logistics industry, we pride ourselves on our commitment to excellence and customer satisfaction.

This year has been marked by significant and strategic expansion, as we have successfully acquired the business and assets of another haulage firm, a major transport company near the Port of Hull. This enhances our geographical footprint and allows us to support our current client base as well as introducing us to new customers.

In the past year, KBC Logistics Ltd faced a challenging market environment that led to a decrease in turnover although still profitable and cash generating.

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the execution of the Company's strategy are subject to a number of risks.

Geographic Risk:

There are a number of shipping companies that choose to use different ports for economic and strategic reasons. We protect ourselves from this risk by supplying a presence in all of the major UK Ports.

Failure to attract and retain personnel:

There was a severe driver shortage in the year ended 31 January 2024. Our commitment to quality of service and good logistics planning allowed us to supply regular work and therefore avoid driver challenges.

Cost Control:

There were a number of pressures on trading costs during the year. The company actively managed these costs partly by aggressive fleet renewals and partly by reviewing overhead costs.

Risks are formerly reviewed by the directors and appropriate processes are put in place to mitigate them.

KEY PERFORMANCE INDICATORS

The KPI's used to monitor the profitability of the business are:

Gross Profit Margin (Gross profit/Turnover) - This has fallen to 8.2% (2023: 9.0%).

Revenue per mile/load - Logistics monitoring achieved an acceptable level which exceeded industry norms.

Strategic Report
For The Year Ended 31st January 2024

FUTURE DEVELOPMENTS

While we acknowledge the current challenges in our turnover, we are optimistic about the future. The integration of the recent acquisition will be a primary focus in the coming year, with expected contributions to revenue and profitability beginning mid-year 2024.

Looking ahead, we are optimistic about the opportunities that lie before us. Our strategic goals for the upcoming year include:

- Continued investment in fleet modernisation and technology to enhance service delivery.
- Expanding our market presence through targeted customer engagement and further strategic acquisitions.
- Strengthening our commitment to sustainability and corporate responsibility.

We remain committed to navigating the current challenges while positioning ourselves for a robust recovery and enhanced growth. The establishment of a new depot, together with future expansion plans, represent a pivotal step in this strategy, and we are confident it will lead to long term value for the business.

ON BEHALF OF THE BOARD:

A Radzynski - Director

30th October 2024

Report of the Directors
For The Year Ended 31st January 2024

The directors present their report with the financial statements of the company for the year ended 31st January 2024.

DIVIDENDS

An interim dividend of 271.50 per share was paid on 31st January 2024. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31st January 2024 will be £ 27,150 .

DIRECTORS

The directors shown below have held office during the whole of the period from 1st February 2023 to the date of this report.

A Radzyminski
D Ashford

DISABLED PERSONS

The following statements of policy are practiced by the company:

Full and fair consideration is given to applications for employment made by disabled persons, having regard to their particular aptitudes and abilities;

Continued employment and training of staff is offered to those who become disabled whilst they are employees of the company;

The company continues to offer general training, career development and promotion of disabled persons employed by them.

EMPLOYEE INVOLVEMENT

The company is aware of its responsibilities to its employees and the key part that they play in the company's progress. The benefits of low staff turnover in continuity and quality of services to customers cannot be over estimated and all employees are encouraged to undertake further training both in house and via external providers to allow them to achieve their personal and professional aspirations.

The company has regular meetings with its employees at all levels to provide them with information on areas that concern them as employees, and to ensure there is a common awareness throughout the company of the financial and economic factors that affect the performance of the company.

The company consults employees or their representatives regularly so that their views can be taken into account when making decisions that are expected to affect their interests, and makes efforts to encourage involvement in these forums in order that they are aware of and can positively gain from that involvement.

SECTION 172(1) STATEMENT

The directors recognise that the future of the business depends on the trust and confidence of its stakeholders to operate sustainably in the long term. The directors seek to put its customers' best interests first, invests in its employees, supports the communities in which it operates and strives to generate sustainable profits.

The directors have acted in accordance with their duties codified in law, which include their duty to act in the way in which they consider, in good faith, would be most likely to promote the success of the company, having regard to the stakeholders and matters set out in section 172(1) of the Companies Act 2006.

STREAMLINED ENERGY AND CARBON REPORTING

This report presents the carbon emissions of KBC Logistics Ltd for the reporting year to 31st January 2024 including scope 1,2 and partial scope 3 emissions.

Report of the Directors
For The Year Ended 31st January 2024

STREAMLINED ENERGY AND CARBON REPORTING (Cont'd)

Energy Intensity Matrix

	Employees/ M2 space/£m	t.CO2c/yr	t.CO2c	
Per employee	295	128,178	434.5	t.CO2e/employee
Per M2 space	3,000	128,178	42.73	t.CO2e/M2
Turnover £M	46	128,178	2,786.48	t.CO2e/£m
Buildings	410	k.Wh/M2		
Transport	5.1	k.Wh/mile		
Off road diesel	9.9	k.Wh/litre		

We are dedicated to responsible carbon management and will implement additional energy efficiency measures across our organisation wherever they are cost-effective. We acknowledge that climate change is one of the most pressing environmental challenges facing the global community, and we recognise our responsibility in contributing to the reduction in greenhouse gas emissions.

We have recently implemented, or are in the process of implementing, the following policies to enhance the energy efficiency of the business.

- Looking at feasibility of electric tractor units in the fleet.
- Improved car scheme for employees, with additional contributions to actively encourage the selection of an electric car.
- Continued push to encourage customers to Hydrotreated Vegetable Oil (HVO) reducing the impact of diesel engine greenhouse emissions.
- Additional vehicle charging points will be installed at the main depot.
- Maximising trailer capacity and reducing empty running.

Methodology used in the calculation of disclosures

ESOS methodology carbon emissions have been calculated using the 2018 'UK Government Emission GHG Conversion Factors for Company Reporting'. The electricity carbon factor is based on the UK Grid average (Location Based Scope 2 Carbon Factor, in relation to the GHG Protocol) and does not include generation, or transmission and distribution losses.

For matters solely related to carbon, the SECR methodology outlined in the "Environmental Reporting Guidelines: including Streamlined Energy and Carbon Reporting and Greenhouse Gas Reporting" was applied, alongside the Government's GHG reporting conversion factors.

DISCLOSURE IN THE STRATEGIC REPORT

The directors have disclosed their review of the business, the key performance indicators, principal risks and uncertainties along with future developments in the Strategic Report.

Report of the Directors
For The Year Ended 31st January 2024

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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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, Beak Kemmenoe, are deemed to be reappointed.

ON BEHALF OF THE BOARD:

A Radzyminski - Director

30th October 2024

Opinion

We have audited the financial statements of KBC Logistics Ltd (the 'company') for the year ended 31st January 2024 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, 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 31st January 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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.

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 six, 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.

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.

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, was as follows:

- 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 directors and other management, and from our commercial knowledge and experience of the business sector;
- 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, anti-bribery, employment and health and safety legislation;
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; 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; and
- Enquiring of management as to actual and potential litigation and claims;

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.

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.

Ronald Price FCA (Senior Statutory Auditor)
for and on behalf of Beak Kemmenoe
Chartered Accountants
& Statutory Auditors
1-3 Manor Road
Chatham
Kent
ME4 6AE

30th October 2024

Income Statement
For The Year Ended 31st January 2024

	Notes	2024 £	2023 £
TURNOVER		45,874,570	52,536,445
Cost of sales		<u>42,121,539</u>	<u>47,794,187</u>
GROSS PROFIT		3,753,031	4,742,258
Administrative expenses		<u>2,801,349</u>	<u>2,289,069</u>
OPERATING PROFIT	4	951,682	2,453,189
Interest payable and similar expenses	6	<u>253,296</u>	<u>194,915</u>
PROFIT BEFORE TAXATION		698,386	2,258,274
Tax on profit	7	<u>178,410</u>	<u>397,660</u>
PROFIT FOR THE FINANCIAL YEAR		<u><u>519,976</u></u>	<u><u>1,860,614</u></u>

The notes form part of these financial statements

Other Comprehensive Income
For The Year Ended 31st January 2024

	2024	2023
Notes	£	£
PROFIT FOR THE YEAR	519,976	1,860,614
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE INCOME	-	-
FOR THE YEAR	<u>519,976</u>	<u>1,860,614</u>

The notes form part of these financial statements

Balance Sheet
31st January 2024

	Notes	2024	2023
		£	£
FIXED ASSETS			
Tangible assets	9	9,578,015	9,469,313
CURRENT ASSETS			
Stocks	10	135,276	144,959
Debtors	11	11,235,557	11,910,547
Cash at bank and in hand		<u>143,844</u>	<u>82,093</u>
		11,514,677	12,137,599
CREDITORS			
Amounts falling due within one year	12	<u>6,602,457</u>	<u>6,922,132</u>
NET CURRENT ASSETS		<u>4,912,220</u>	<u>5,215,467</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		14,490,235	14,684,780
CREDITORS			
Amounts falling due after more than one year	13	(1,661,177)	(2,526,446)
PROVISIONS FOR LIABILITIES	17	<u>(993,052)</u>	<u>(815,154)</u>
NET ASSETS		<u>11,836,006</u>	<u>11,343,180</u>
CAPITAL AND RESERVES			
Called up share capital	18	100	100
Retained earnings	19	<u>11,835,906</u>	<u>11,343,080</u>
SHAREHOLDERS' FUNDS		<u>11,836,006</u>	<u>11,343,180</u>

The financial statements were approved by the Board of Directors and authorised for issue on 30th October 2024 and were signed on its behalf by:

A Radzyminski - Director

Statement of Changes in Equity
For The Year Ended 31st January 2024

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1st February 2022	100	9,510,466	9,510,566
Changes in equity			
Dividends	-	(28,000)	(28,000)
Total comprehensive income	-	1,860,614	1,860,614
Balance at 31st January 2023	<u>100</u>	<u>11,343,080</u>	<u>11,343,180</u>
Changes in equity			
Dividends	-	(27,150)	(27,150)
Total comprehensive income	-	519,976	519,976
Balance at 31st January 2024	<u>100</u>	<u>11,835,906</u>	<u>11,836,006</u>

The notes form part of these financial statements

Cash Flow Statement
For The Year Ended 31st January 2024

	Notes	2024 £	2023 £
Cash flows from operating activities			
Cash generated from operations	1	3,522,006	3,587,439
Interest paid		(52,607)	(87,370)
Interest element of hire purchase payments paid		(200,689)	(107,545)
Tax paid		-	(78,256)
Net cash from operating activities		<u>3,268,710</u>	<u>3,314,268</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(2,453,243)	(4,654,396)
Sale of tangible fixed assets		78,612	75,580
Net cash from investing activities		<u>(2,374,631)</u>	<u>(4,578,816)</u>
Cash flows from financing activities			
Capital repayments in year		(2,035,271)	694,398
Equity dividends paid		(27,150)	(28,000)
Net cash from financing activities		<u>(2,062,421)</u>	<u>666,398</u>
Decrease in cash and cash equivalents		<u>(1,168,342)</u>	<u>(598,150)</u>
Cash and cash equivalents at beginning of year	2	(694,173)	(96,023)
Cash and cash equivalents at end of year	2	<u>(1,862,515)</u>	<u>(694,173)</u>

The notes form part of these financial statements

Notes to the Cash Flow Statement
For The Year Ended 31st January 2024**1. RECONCILIATION OF PROFIT FOR THE FINANCIAL YEAR TO CASH GENERATED FROM OPERATIONS**

	2024	2023
	£	£
Profit for the financial year	519,976	1,860,614
Depreciation charges	2,282,856	2,226,189
Profit on disposal of fixed assets	(16,927)	(64,804)
Finance costs	253,296	194,915
Taxation	178,410	397,660
	<u>3,217,611</u>	<u>4,614,574</u>
Decrease in stocks	9,683	2,622
Decrease/(increase) in trade and other debtors	674,478	(1,613,723)
(Decrease)/increase in trade and other creditors	<u>(379,766)</u>	<u>583,966</u>
Cash generated from operations	<u><u>3,522,006</u></u>	<u><u>3,587,439</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 31st January 2024

	31.1.24	1.2.23
	£	£
Cash and cash equivalents	143,844	82,093
Bank overdrafts	<u>(2,006,359)</u>	<u>(776,266)</u>
	<u><u>(1,862,515)</u></u>	<u><u>(694,173)</u></u>

Year ended 31st January 2023

	31.1.23	1.2.22
	£	£
Cash and cash equivalents	82,093	88,410
Bank overdrafts	<u>(776,266)</u>	<u>(184,433)</u>
	<u><u>(694,173)</u></u>	<u><u>(96,023)</u></u>

Notes to the Cash Flow Statement
For The Year Ended 31st January 2024

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.2.23 £	Cash flow £	At 31.1.24 £
Net cash			
Cash at bank and in hand	82,093	61,751	143,844
Bank overdrafts	<u>(776,266)</u>	<u>(1,230,093)</u>	<u>(2,006,359)</u>
	<u>(694,173)</u>	<u>(1,168,342)</u>	<u>(1,862,515)</u>
Debt			
Finance leases	<u>(4,713,795)</u>	<u>2,035,271</u>	<u>(2,678,524)</u>
	<u>(4,713,795)</u>	<u>2,035,271</u>	<u>(2,678,524)</u>
Total	<u><u>(5,407,968)</u></u>	<u><u>866,929</u></u>	<u><u>(4,541,039)</u></u>

1. **STATUTORY INFORMATION**

KBC 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.

The presentation currency of the financial statements is the Pound Sterling (£).

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.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In preparing the financial statements the directors have made the following judgements:

Determining the useful lives and depreciation policies for the company's various classes of tangible fixed assets. The directors base these estimates on past performance and industry trends to ensure that the depreciation policy used is sufficient so that the carrying value does not exceed its net realisable value.

Turnover

Turnover is the total receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

The company operates exclusively in the United Kingdom and haulage income represents the vast majority of turnover.

Tangible fixed assets

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

Freehold property	- not provided
Fixtures and fittings	- 25% straight line
Motor vehicles	- 25% on reducing balance

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

2. **ACCOUNTING POLICIES - continued**

Financial instruments

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

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the balance sheet when, and only when, there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments that comply with all of the conditions of paragraph 11.9 of FRS 102 are classified as 'basic'. For debt instruments that do not meet the conditions of FRS 102.11.9, the company considers whether the debt instrument is consistent with the principle in paragraph 11.9A of FRS 102 in order to determine whether it can be classified as basic. Instruments classified as 'basic' financial instruments are measured subsequently at amortised cost using the effective interest method. Debt instruments that have no stated interest rate (and do not constitute financing transaction) and are classified as payable or receivable within one year are initially measured at an undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting conditions of being 'basic' financial instruments are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

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.

2. ACCOUNTING POLICIES - continued**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.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

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.

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.

Operating lease commitments

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against on a straight line basis over the period of the lease.

3. EMPLOYEES AND DIRECTORS

	2024	2023
	£	£
Wages and salaries	9,676,388	9,203,764
Social security costs	937,322	930,300
Other pension costs	360,925	144,186
	<u>10,974,635</u>	<u>10,278,250</u>

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

	2024	2023
Management	2	2
Administration	17	10
Productive labour	<u>276</u>	<u>237</u>
	<u>295</u>	<u>249</u>

Notes to the Financial Statements - continued
For The Year Ended 31st January 2024**3. EMPLOYEES AND DIRECTORS - continued**

	2024	2023
	£	£
Directors' remuneration	60,164	62,969
Directors' pension contributions to money purchase schemes	<u>101,318</u>	<u>1,318</u>

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

Money purchase schemes	<u>2</u>	<u>2</u>
------------------------	----------	----------

4. OPERATING PROFIT

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

	2024	2023
	£	£
Depreciation - owned assets	752,580	589,952
Depreciation - assets on hire purchase contracts	1,530,276	1,635,091
Profit on disposal of fixed assets	(16,927)	(64,804)
Foreign exchange differences	<u>(336)</u>	<u>22</u>

5. AUDITORS' REMUNERATION

The audit fee stated in the financial statements is made up of the following services:

	2024	2023
	£	£
Fees payable to the company's auditor for the audit of the company's annual accounts	20,000	32,000
Non-audit related services	8,285	4,655

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2024	2023
	£	£
Loan and overdraft interest	52,607	87,370
Hire purchase interest	<u>200,689</u>	<u>107,545</u>
	<u>253,296</u>	<u>194,915</u>

Notes to the Financial Statements - continued
For The Year Ended 31st January 2024**7. TAXATION****Analysis of the tax charge**

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

	2024	2023
	£	£
Current tax:		
UK corporation tax	512	(58)
Deferred tax	177,898	397,718
Tax on profit	<u>178,410</u>	<u>397,660</u>

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:

	2024	2023
	£	£
Profit before tax	<u>698,386</u>	<u>2,258,274</u>
Profit multiplied by the standard rate of corporation tax in the UK of 25% (2023 - 25%)	174,597	564,569
Effects of:		
Expenses not deductible for tax purposes	3,939	4,624
Capital allowances in excess of depreciation	-	(928,386)
Depreciation in excess of capital allowances	113,675	-
Utilisation of tax losses	(287,980)	-
Adjustments to tax charge in respect of previous periods	512	(58)
Profit on disposal of tangible fixed assets	(4,231)	(16,201)
Trading losses carried forward	-	375,394
Deferred tax	177,898	397,718
Total tax charge	<u>178,410</u>	<u>397,660</u>

8. DIVIDENDS

	2024	2023
	£	£
Ordinary shares of £1 each		
Interim	<u>27,150</u>	<u>28,000</u>

Notes to the Financial Statements - continued
For The Year Ended 31st January 2024

9. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Totals £
COST				
At 1st February 2023	754,001	319,992	18,000,491	19,074,484
Additions	1,148,718	70,901	1,233,624	2,453,243
Disposals	-	-	(397,149)	(397,149)
At 31st January 2024	<u>1,902,719</u>	<u>390,893</u>	<u>18,836,966</u>	<u>21,130,578</u>
DEPRECIATION				
At 1st February 2023	-	227,384	9,377,787	9,605,171
Charge for year	-	41,753	2,241,103	2,282,856
Eliminated on disposal	-	-	(335,464)	(335,464)
At 31st January 2024	<u>-</u>	<u>269,137</u>	<u>11,283,426</u>	<u>11,552,563</u>
NET BOOK VALUE				
At 31st January 2024	<u>1,902,719</u>	<u>121,756</u>	<u>7,553,540</u>	<u>9,578,015</u>
At 31st January 2023	<u>754,001</u>	<u>92,608</u>	<u>8,622,704</u>	<u>9,469,313</u>

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

	Motor vehicles £
COST	
At 1st February 2023	9,534,914
Additions	79,593
Transfer to ownership	(3,681,279)
At 31st January 2024	<u>5,933,228</u>
DEPRECIATION	
At 1st February 2023	3,413,569
Charge for year	1,530,276
Transfer to ownership	(2,289,958)
At 31st January 2024	<u>2,653,887</u>
NET BOOK VALUE	
At 31st January 2024	<u>3,279,341</u>
At 31st January 2023	<u>6,121,345</u>

10. STOCKS

	2024 £	2023 £
Stocks	<u>135,276</u>	<u>144,959</u>

Notes to the Financial Statements - continued
For The Year Ended 31st January 2024**11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2024	2023
	£	£
Trade debtors	6,554,979	6,966,186
Other debtors	3,531,260	3,801,044
Prepayments and accrued income	1,149,318	1,143,317
	<u>11,235,557</u>	<u>11,910,547</u>

Trade debtors in the sum of £2,290,036 (2023: £6,966,186) were subject to an invoice discounting agreement.

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Bank loans and overdrafts (see note 14)	2,006,359	776,266
Hire purchase contracts (see note 15)	1,017,347	2,187,349
Trade creditors	2,503,246	2,592,493
Social security and other taxes	154,685	170,424
Other creditors	384,944	588,103
Accruals and deferred income	535,876	607,497
	<u>6,602,457</u>	<u>6,922,132</u>

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2024	2023
	£	£
Hire purchase contracts (see note 15)	<u>1,661,177</u>	<u>2,526,446</u>

14. LOANS

An analysis of the maturity of loans is given below:

	2024	2023
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>2,006,359</u>	<u>776,266</u>

15. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2024	2023
	£	£
Net obligations repayable:		
Within one year	1,017,347	2,187,349
Between one and five years	<u>1,661,177</u>	<u>2,526,446</u>
	<u>2,678,524</u>	<u>4,713,795</u>

Notes to the Financial Statements - continued
For The Year Ended 31st January 202415. **LEASING AGREEMENTS - continued**

	Non-cancellable operating leases	
	2024	2023
	£	£
Within one year	349,379	361,000
Between one and five years	213,190	325,000
In more than five years	-	30,000
	<u>562,569</u>	<u>716,000</u>

16. **SECURED DEBTS**

The following secured debts are included within creditors:

	2024	2023
	£	£
Bank overdrafts	2,006,359	776,266
Hire purchase contracts	<u>2,678,524</u>	<u>4,713,795</u>
	<u>4,684,883</u>	<u>5,490,061</u>

The bank loans and overdrafts are secured by way of a fixed charge on the freehold properties and a debenture over all other assets.

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

17. **PROVISIONS FOR LIABILITIES**

	2024	2023
	£	£
Deferred tax	<u>993,052</u>	<u>815,154</u>
		Deferred tax
		£
Balance at 1st February 2023		815,154
Movement in the year		<u>177,898</u>
Balance at 31st January 2024		<u>993,052</u>

18. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2024	2023
			£	£
100	Ordinary	£1	<u>100</u>	<u>100</u>

Ordinary shares have full rights in respect of voting, entitlement to dividends and assets on a winding up.

Notes to the Financial Statements - continued
For The Year Ended 31st January 2024**19. RESERVES**

	Retained earnings £
At 1st February 2023	11,343,080
Profit for the year	519,976
Dividends	(27,150)
At 31st January 2024	<u>11,835,906</u>

20. RELATED PARTY DISCLOSURES

The following related parties with material transactions existed during the period. The nature of the relationship for each of them was that of entities under common control.

Related Party	Transaction details	2024 £	2023 £
AMR Property Management Limited	Other debtors	2,589,316	2,556,818
Express Logistics	Purchases	976,582	758,814
	Other debtors	773,923	873,749
	Trade creditors	-	132,850

No amounts were written off in the year.

21. ULTIMATE CONTROLLING PARTY

The controlling party is A Radzyminski.

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