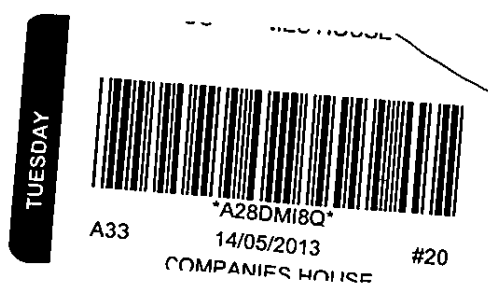


Registered number 04164708

G K R Logistics Limited

Directors' report and financial statements

for the year ended 31 October 2012



G K R Logistics Limited

Company Information

Directors

G Rowswell
L Rowswell
N Rowswell

Company secretary

C Rowswell

Registered number

04164708

Registered office

94A High Street
Sevenoaks
Kent
TN13 1LP

Independent auditors

Reeves & Co LLP
Chartered Accountants & Statutory Auditors
Third Floor
24 Chiswell Street
London
EC1Y 4YX

Accountants

Thain Osborne & Co
Chartered Accountants
94A High Street
Sevenoaks
Kent
TN13 1LP

G K R Logistics Limited

Contents

	Page
Directors' report	1 - 2
Independent auditors' report	3 - 4
Consolidated profit and loss account	5
Consolidated balance sheet	6
Company balance sheet	7
Consolidated cash flow statement	8
Notes to the financial statements	9 - 21

G K R Logistics Limited

Directors' report for the year ended 31 October 2012

The directors present their report and the financial statements for the year ended 31 October 2012

Directors' responsibilities statement

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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 the group 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 judgments 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 group 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activities

The principal activity of the group was that of scaffolding suppliers.

Business review

In the year ended 31 October 2012, sales increased by 17.0%, to £11,124,621. Gross profit margins have reduced from 39.4% to 37.3% reflecting the continuing tough economic climate. The group made a profit after tax of £1,454,266 (2011 - £857,355).

Principal Risks

Commercial Risks

The principal risks facing the business arise from non payment of work completed, due to companies going into liquidation. Vigorous checks are carried out on new contracts and there is a policy to only tender for work with larger established contractors.

The group continues to abide by all areas of legislation which remains a major burden on organisations.

Financial Risks

Maintaining margins whilst containing operating costs are the major risks. New customers are assessed for credit risk and credit limits apply where necessary. Sales for 2013 are expected to remain similar. The group is fortunate in that it has no long term commitments for the supply of labour or distribution and can access a pool of skilled unemployed labour as activity increases.

All risks are constantly monitored and appropriate action is taken where necessary. Cash flow is monitored daily and professional staff are employed to ensure new legislation is complied with.

G K R Logistics Limited

Directors' report for the year ended 31 October 2012

Development and Performance

The increase in activity has required the group to resume investing in scaffold plant, the hiring out of which is the group's principal activity. The increase in activity during 2012 is expected to be maintained in 2013 and the group is in a healthy position to weather the sluggish economic environment.

Key Performance Indicators

Key performance indicators for the group are turnover, gross margins, operating costs and profitability all of which are regularly reported on and reviewed.

Results

The profit for the year, after taxation and minority interests, amounted to £1,399,880 (2011 - £857,355)

Directors

The directors who served during the year were

G Rowswell
L Rowswell
N Rowswell

Political and charitable contributions

During the year, the group made charitable contributions totalling £1,670 (2011 £2,470). These were made to various local and national charity organisations such as Brigitte Trust of £500, and British Heart Foundation £1,150.

Provision of information to auditors

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

- so far as that director is aware, there is no relevant audit information of which the company and the group's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company and the group's auditors in connection with preparing their report and to establish that the company and the group's auditors are aware of that information.

Auditors

The auditors, Reeves & Co LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 03/05/13 . and signed on its behalf



C Rowswell
Secretary

G K R Logistics Limited

Independent auditors' report to the shareholders of G K R Logistics Limited

We have audited the financial statements of G K R Logistics Limited for the year ended 31 October 2012, set out on pages 5 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Basis for qualified opinion on financial statements

The consolidated financial statements include freehold property with a carrying value of £1,167,903. In accordance with Financial Reporting Standard 15 a valuation of the property, completed by an independent qualified professional, was required in the year. The directors have not obtained a valuation and the financial statements therefore include a departure from the stated accounting policy. In the absence of this valuation we cannot quantify the effect of any possible misstatement.

Qualified opinion on financial statements

Except for the possible effect of the matter described above, 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 October 2012 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

G K R Logistics Limited

Independent auditors' report to the shareholders of G K R Logistics Limited

Matters on which we are required to report by exception

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 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

Reeves & Co LLP

Michael Cook BA Hons ACA (Senior statutory auditor)

for and on behalf of

Reeves & Co LLP

Chartered Accountants

Statutory Auditors

Third Floor

24 Chiswell Street

London

EC1Y 4YX

Date *9 MAY 2013*

G K R Logistics Limited

**Consolidated profit and loss account
for the year ended 31 October 2012**

	Note	2012 £	2011 £
Turnover	1,2	11,124,621	9,515,569
Cost of sales		(6,977,894)	(5,768,630)
Gross profit		4,146,727	3,746,939
Distribution costs		(4,226)	(3,858)
Administrative expenses		(2,077,581)	(2,378,288)
Operating profit	3	2,064,920	1,364,793
Interest receivable and similar income		20,086	1,142
Interest payable and similar charges	6	(17,105)	(14,496)
Profit on ordinary activities before taxation		2,067,901	1,351,439
Tax on profit on ordinary activities	7	(613,635)	(494,084)
Profit on ordinary activities after taxation		1,454,266	857,355
Minority interests		(54,386)	-
Profit for the financial year	18	1,399,880	857,355

All amounts relate to continuing operations

There were no recognised gains and losses for 2012 or 2011 other than those included in the Profit and loss account

The notes on pages 9 to 21 form part of these financial statements

G K R Logistics Limited
Registered number 04164708

Consolidated balance sheet
as at 31 October 2012

	Note	£	2012 £	As restated 2011 £
Fixed assets				
Intangible assets	8		-	163,691
Tangible assets	9		<u>2,784,059</u>	<u>2,548,046</u>
			<u>2,784,059</u>	<u>2,711,737</u>
Current assets				
Stocks	12	4,500	500	
Debtors	13	2,434,443	2,788,348	
Cash at bank		<u>1,892,612</u>	<u>1,093,174</u>	
		4,331,555	3,882,022	
Creditors: amounts falling due within one year	14	<u>(1,669,158)</u>	<u>(1,982,473)</u>	
Net current assets			<u>2,662,397</u>	<u>1,899,549</u>
Total assets less current liabilities			<u>5,446,456</u>	<u>4,611,286</u>
Creditors: amounts falling due after more than one year	15		<u>(1,380,005)</u>	<u>(1,999,107)</u>
Net assets			<u><u>4,066,451</u></u>	<u><u>2,612,179</u></u>
Capital and reserves				
Called up share capital	17		222	222
Profit and loss account	18		<u>4,011,837</u>	<u>2,611,957</u>
Shareholders' funds	20		<u>4,012,059</u>	<u>2,612,179</u>
Minority interests	21		<u>54,392</u>	<u>-</u>
			<u><u>4,066,451</u></u>	<u><u>2,612,179</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
3 May 2013

L Rowswell
Director



The notes on pages 9 to 21 form part of these financial statements

G K R Logistics Limited
Registered number 04164708

Company balance sheet
as at 31 October 2012

	Note	2012 £	2011 £
Fixed assets			
Investments	10	1,800,330	1,800,220
Current assets			
Cash at bank		17,252	20,067
Total assets less current liabilities		1,817,582	1,820,287
Creditors: amounts falling due after more than one year	15	(994,584)	(997,289)
Net assets		822,998	822,998
Capital and Reserves			
Called up share capital	17	222	222
Profit and loss account	18	822,776	822,776
Shareholders' funds	20	822,998	822,998

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
3 MAY 2013



L Rowswell
Director

The notes on pages 9 to 21 form part of these financial statements

G K R Logistics Limited

**Consolidated cash flow statement
for the year ended 31 October 2012**

	Note	2012 £	2011 £
Net cash flow from operating activities	22	2,606,061	2,173,218
Returns on investments and servicing of finance	23	2,981	(13,354)
Taxation		(740,567)	(369,731)
Capital expenditure and financial investment	23	(455,038)	(1,325,087)
Cash inflow before financing		1,413,437	465,046
Financing	23	(613,999)	(387,731)
Increase in cash in the year		799,438	77,315

**Reconciliation of net cash flow to movement in net funds/debt
for the year ended 31 October 2012**

	2012 £	As restated 2011 £
Increase in cash in the year	799,438	77,315
Cash outflow from decrease in debt and lease financing	614,005	387,731
Movement in net debt in the year	1,413,443	465,046
Net debt at 1 November 2011 (as restated)	(1,011,933)	(1,476,979)
Net funds/(debt) at 31 October 2012	401,510	(1,011,933)

The notes on pages 9 to 21 form part of these financial statements

G K R Logistics Limited

Notes to the financial statements for the year ended 31 October 2012

1 Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of freehold land and buildings and in accordance with applicable accounting standards

1.2 Basis of consolidation

The financial statements consolidate the accounts of G K R Logistics Limited and all of its subsidiary undertakings ('subsidiaries') The results of the subsidiaries are consolidated on a line by line basis

The profit and loss account for the parent Company has not been included, as permitted by Section 408 of the Companies Act 2006

1.3 Turnover

Turnover comprises revenue recognised by the group in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts

1.4 Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities It is amortised to the Profit and loss account over its estimated economic life

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation Depreciation is not charged on freehold land Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases

Plant & machinery	-	20% straight line
Motor vehicles	-	25% reducing balance
Fixtures & fittings	-	33 33% reducing balance

Land and buildings are held in the balance sheet at a value confirmed by an independent qualified professional in June 2007 A valuation shall be performed by a qualified valuer at least every five years and an interim valuation in year 3 Interim valuations in years 1, 2 and 4 should be carried out where it is likely that there has been a material change in value

A depreciation charge has not been made on the grounds that the residual value is not materially different from the carrying value of the asset

The directors are not aware of any material change in the value of the land and buildings and therefore a valuation, as required in accordance with the Financial Reporting Standard 15, has not been performed

1.6 Investments

Investments in subsidiaries are valued at cost less provision for impairment

**Notes to the financial statements
for the year ended 31 October 2012**

1. Accounting policies (continued)

1.7 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.8 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.9 Stocks

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

1.10 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.11 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

2 Turnover

The whole of the turnover for the group has been derived from its principal activity of scaffold suppliers.

All turnover arose within the United Kingdom.

G K R Logistics Limited

Notes to the financial statements for the year ended 31 October 2012

3 Operating profit

The operating profit is stated after charging/(crediting)

	2012 £	2011 £
Amortisation - intangible fixed assets	163,691	392,857
Depreciation of tangible fixed assets		
- owned by the group	590,574	690,061
Auditors' remuneration	13,000	13,000
Operating lease rentals		
- plant and machinery	58,982	72,991
Net profit/(loss) on sales of fixed assets	<u>(371,549)</u>	<u>1,255</u>

Auditors remuneration for the company were £nil (2011 £nil)

4. Staff costs

Staff costs, including directors' remuneration, were as follows

	2012 £	2011 £
Wages and salaries	4,412,642	3,694,921
Social security costs	441,369	374,801
Other pension costs	5,208	5,208
	<u>4,859,219</u>	<u>4,074,930</u>

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

	2012 No	2011 No
Administration	19	14
Scaffolders & Drivers	112	90
	<u>131</u>	<u>104</u>

5 Directors' remuneration

	2012 £	2011 £
Emoluments	<u>170,768</u>	<u>170,768</u>

G K R Logistics Limited

Notes to the financial statements for the year ended 31 October 2012

6 Interest payable

	2012 £	2011 £
On other loans	12,510	14,496
On finance leases and hire purchase contracts	614	-
Other interest payable	3,981	-
	<u>17,105</u>	<u>14,496</u>

7. Taxation

	2012 £	2011 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	544,616	516,548
Adjustments in respect of prior periods	-	2,718
Total current tax	<u>544,616</u>	<u>519,266</u>
Deferred tax (see note 16)		
Origination and reversal of timing differences	69,019	(25,182)
Tax on profit on ordinary activities	<u>613,635</u>	<u>494,084</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2011 - higher than) the standard rate of corporation tax in the UK of 24.64% (2011 - 26.52%). The differences are explained below

	2012 £	2011 £
Profit on ordinary activities before tax	<u>2,067,901</u>	<u>1,351,439</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24.64% (2011 - 26.52%)	509,532	358,355
Effects of:		
Non-tax deductible amortisation of goodwill	40,334	104,172
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	56,804	22,146
Accelerated capital allowances	(62,054)	31,875
Adjustments to tax charge in respect of prior periods	-	2,718
Current tax charge for the year (see note above)	<u>544,616</u>	<u>519,266</u>

G K R Logistics Limited

Notes to the financial statements for the year ended 31 October 2012

8. Intangible fixed assets

	Goodwill £
Group	
Cost	
At 1 November 2011 and 31 October 2012	994,711
Amortisation	
At 1 November 2011	831,020
Charge for the year	163,691
At 31 October 2012	994,711
Net book value	
At 31 October 2012	-
At 31 October 2011	163,691

9. Tangible fixed assets

	Freehold property £	Plant & machinery £	Motor vehicles £	Fixtures & fittings £
Group				
Cost				
At 1 November 2011	1,167,903	3,382,295	187,129	40,937
Additions	-	719,533	107,054	-
Disposals	-	(1,323,307)	-	-
At 31 October 2012	1,167,903	2,778,521	294,183	40,937
Depreciation				
At 1 November 2011	-	2,057,189	135,159	37,870
Charge for the year	-	549,797	39,756	1,021
On disposals	-	(1,323,307)	-	-
At 31 October 2012	-	1,283,679	174,915	38,891
Net book value				
At 31 October 2012	1,167,903	1,494,842	119,268	2,046
At 31 October 2011	1,167,903	1,325,106	51,970	3,067

G K R Logistics Limited

**Notes to the financial statements
for the year ended 31 October 2012**

9 Tangible fixed assets (continued)

Group	Total £
Cost	
At 1 November 2011	4,778,264
Additions	826,587
Disposals	(1,323,307)
At 31 October 2012	<u>4,281,544</u>
Depreciation	
At 1 November 2011	2,230,218
Charge for the year	590,574
On disposals	(1,323,307)
At 31 October 2012	<u>1,497,485</u>
Net book value	
At 31 October 2012	<u><u>2,784,059</u></u>
At 31 October 2011	<u><u>2,548,046</u></u>

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

Group	2012 £	2011 £
Motor vehicles	<u>9,371</u>	<u>-</u>

All capital allowances have been claimed against the cost of the building. If the building was sold, all of the disposal proceeds up to the value of the initial cost and indexation thereon would be subject to tax, giving a potential liability of £17,198 (2011 £26,811) at the present maximum company rate of 23%. No provision has been made for this tax as there is no intention of selling the building in the foreseeable future.

The land and buildings were revalued in June 2007 by an independent qualified professional on an open market existing use basis.

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows

Group	2012 £	2011 £
Cost	774,385	774,385
Accumulated depreciation	-	-
Total	<u><u>774,385</u></u>	<u><u>774,385</u></u>

G K R Logistics Limited

Notes to the financial statements for the year ended 31 October 2012

10 Fixed asset investments

Company	Investments in subsidiary companies £
Cost or valuation	
At 1 November 2011	1,800,220
Additions	110
At 31 October 2012	1,800,330
Net book value	
At 31 October 2012	1,800,330
At 31 October 2011	1,800,220

11. Principal subsidiaries

Company name	Country	Percentage Shareholding	Principle Activity
G K R Scaffolding Limited	England and Wales	95% of Ordinary Shares	Scaffolding suppliers
Frindsbury Properties Limited	England and Wales	95% of Ordinary Shares	Property owning company

12. Stocks

	Group		Company	
	2012 £	2011 £	2012 £	2011 £
Finished goods and goods for resale	4,500	500	-	-

13. Debtors

	Group		Company	
	2012 £	2011 £	2012 £	2011 £
Trade debtors	1,977,952	2,232,413	-	-
Other debtors	291,638	328,686	-	-
Prepayments and accrued income	104,265	97,642	-	-
Deferred tax asset (see note 16)	60,588	129,607	-	-
	2,434,443	2,788,348	-	-

G K R Logistics Limited

**Notes to the financial statements
for the year ended 31 October 2012**

**14 Creditors
Amounts falling due within one year**

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Bank loans and overdrafts	107,599	106,000	-	-
Net obligations under finance leases and hire purchase contracts	3,498	-	-	-
Trade creditors	672,824	896,168	-	-
Corporation tax	245,597	441,548	-	-
Social security and other taxes	453,798	428,959	-	-
Other creditors	71,892	72,448	-	-
Accruals and deferred income	113,950	37,350	-	-
	1,669,158	1,982,473	-	-

**15 Creditors:
Amounts falling due after more than one year**

	Group		Company	
	2012	As restated 2011	2012	2011
	£	£	£	£
Bank loans	456,805	565,766	-	-
Other loans	918,535	1,433,341	-	-
Net obligations under finance leases and hire purchase contracts	4,665	-	-	-
Amounts owed to group undertakings	-	-	994,584	997,289
	1,380,005	1,999,107	994,584	997,289

Included within the above are amounts falling due as follows

	Group		Company	
	2012	As restated 2011	2012	2011
	£	£	£	£
Between one and two years				
Bank loans	107,600	106,000	-	-
Other loans	918,535	1,433,341	-	-
Between two and five years				
Bank loans	322,800	318,000	-	-
Over five years				
Bank loans	26,405	141,766	-	-
Amounts owed to group undertakings	-	-	994,584	997,289

G K R Logistics Limited

Notes to the financial statements for the year ended 31 October 2012

15 Creditors: Amounts falling due after more than one year (continued)

Creditors include amounts not wholly repayable within 5 years as follows

	Group		Company	
	2012	As restated 2011	2012	2011
	£	£	£	£
Repayable by instalments	26,405	141,766	-	-
Repayable other than by instalments	-	-	994,584	997,289
	26,405	141,766	994,584	997,289

The bank loans disclosed above bear interest at 1.5% per annum over Barclays Bank Plc's base rate. The loan is repayable by instalments until it is due to mature on 31 March 2025 and is secured by way of a first legal charge over this company's same property at Medway City Estate, Rochester, Kent.

Obligations under finance leases and hire purchase contracts, included above, are payable as follows

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Between one and five years	4,665	-	-	-

16 Deferred taxation

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
At beginning of year	129,607	104,425	-	-
(Charge for)/released during the year	(69,019)	25,182	-	-
At end of year	60,588	129,607	-	-

The deferred taxation balance is made up as follows

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Accelerated capital allowances	60,588	129,607	-	-

G K R Logistics Limited

**Notes to the financial statements
for the year ended 31 October 2012**

17. Share capital

	2012 £	2011 £
Allotted, called up and fully paid		
222 Ordinary shares of £1 each	222	222

18. Reserves

	Profit and loss account £
Group	
At 1 November 2011	2,611,957
Profit for the year	1,399,880
At 31 October 2012	4,011,837
Company	
At 1 November 2011 and 31 October 2012	822,776

19 Prior year adjustment

Subsequent to the prior year financial statements being approved, it was identified that a short term loan of £240,000 had been incorrectly classified. This payment was incorrectly allocated to other loans payable in more than one year, however it should have been classified as a loan receivable within one year. A prior year adjustment has been made to reflect this, with the net effect on the profit and loss being nil. The effect of the prior year adjustment is an increase in debtors of £240,000 and a decrease in creditors amounts falling due after more than one year, of £240,000. All comparatives have been restated accordingly.

G K R Logistics Limited

Notes to the financial statements for the year ended 31 October 2012

20 Reconciliation of movement in shareholders' funds

	2012 £	2011 £
Group		
Opening shareholders' funds	2,612,179	1,754,824
Profit for the year	1,399,880	857,355
Closing shareholders' funds	<u>4,012,059</u>	<u>2,612,179</u>
Company		
Opening shareholders' funds	822,998	824,717
Profit/(loss) for the year	-	(1,719)
Closing shareholders' funds	<u>822,998</u>	<u>822,998</u>

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Profit and loss account

The profit/(loss) for the year dealt with in the accounts of the company was £NIL (2011 - £-1,719)

21. Minority interests

Equity	£
At 1 November 2011	-
Proportion of profit/(loss) after taxation for the year	54,386
Shares issued during the year	6
At 31 October 2012	<u>54,392</u>

22. Net cash flow from operating activities

	2012 £	As restated 2011 £
Operating profit	2,064,920	1,364,793
Amortisation of intangible fixed assets	163,691	392,857
Depreciation of tangible fixed assets	590,574	690,061
(Profit)/loss on disposal of tangible fixed assets	(371,549)	1,255
(Increase)/decrease in stocks	(4,000)	2,400
Decrease/(increase) in debtors	284,886	(686,108)
(Decrease)/increase in creditors	(122,461)	407,960
Net cash inflow from operating activities	<u>2,606,061</u>	<u>2,173,218</u>

G K R Logistics Limited

**Notes to the financial statements
for the year ended 31 October 2012**

23. Analysis of cash flows for headings netted in cash flow statement

	2012 £	2011 £
Returns on investments and servicing of finance		
Interest received	20,086	1,142
Interest paid	(16,491)	(14,496)
Hire purchase interest	(614)	-
Net cash inflow/(outflow) from returns on investments and servicing of finance	2,981	(13,354)
	2012 £	2011 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(826,587)	(1,325,787)
Sale of tangible fixed assets	371,549	700
Net cash outflow from capital expenditure	(455,038)	(1,325,087)
	2012 £	2011 £
Financing		
Issue of ordinary shares to minority interests	6	-
Repayment of loans	(107,362)	(90,777)
Repayment of other loans	(514,806)	(296,954)
New finance leases	8,163	-
Net cash outflow from financing	(613,999)	(387,731)

24. Analysis of changes in net debt

	1 November 2011 £	Cash flow £	Other non-cash changes £	31 October 2012 £
Cash at bank and in hand	1,093,174	799,438	-	1,892,612
Debt				
Debts due within one year	(106,000)	(5,097)	-	(111,097)
Debts falling due after more than one year	(1,999,107)	619,102	-	(1,380,005)
Net debt	(1,011,933)	1,413,443	-	401,510

25 Pension commitments

The company operates a defined contributions pension scheme for two employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £5,208 (2011: £5,208).

G K R Logistics Limited

Notes to the financial statements for the year ended 31 October 2012

25 Pension commitments (continued)

26. Operating lease commitments

At 31 October 2012 the group had annual commitments under non-cancellable operating leases as follows

Group	Land and buildings		2012	Other
	2012	2011		
Expiry date	£	£	£	£
Within 1 year	-	-	7,577	26,065
Between 1 and 2 years	-	-	6,760	-
Between 2 and 5 years	112,500	112,500	3,891	41,774

27. Related party transactions

G Rowswell, L Rowswell and N Rowswell are partners in G K & Y Rowswell Partnership. The invoiced value of management costs supplied by the Partnership was £180,000 (2011 £125,000). In addition to this there was a loan due to the Partnership resulting in a creditor at the year end of £918,541 (2011 as restated £1,433,341).

There were sales to G K & Y Rowswell Partnership during the year to the value of £2,801 (Net) (2011 £2,144), at the year end there was a balance outstanding from this entity of £238 (2011 £1,122) which is shown within Trade Debtors.

28. Controlling party

The company is under the ultimate control of L Rowswell and N Rowswell by virtue of their 89.2% shareholding.

G K R Logistics Limited

Notes to the financial statements for the year ended 31 October 2012

25 Pension commitments (continued)

26. Operating lease commitments

At 31 October 2012 the group had annual commitments under non-cancellable operating leases as follows

Group	Land and buildings		2012	Other
	2012	2011		2011
Expiry date	£	£	£	£
Within 1 year	-	-	7,577	26,065
Between 1 and 2 years	-	-	6,760	-
Between 2 and 5 years	112,500	112,500	3,891	41,774

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