

Registered number: 04164708

G K R Logistics Limited

Annual report and financial statements

For the year ended 31 October 2016

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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	Kreston Reeves LLP Chartered Accountants & Statutory Auditor 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

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G K R Logistics Limited

Directors' report

For the year ended 31 October 2016

The directors present their report and the financial statements for the year ended 31 October 2016.

Directors

The directors who served during the year were:

G Rowsell
L Rowsell
N Rowsell

Directors' responsibilities statement

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated financial statements in accordance with applicable law and regulations.

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

Results and dividends

The profit for the year, after taxation, amounted £5,864,268 (2015: £3,511,426).

The directors paid an ordinary dividend of £4,808 (2015: £1,389) per ordinary 'A' share and an ordinary dividend of £16,000 (2015: £Nil) per ordinary 'B' share in the period.

Employee involvement

GKR Scaffolding Limited use a bespoke Integrated Management System in order to communicate to all employees across the company, for which all employees have personal login details and inboxes. This includes access to Company documents such as Policies and Handbooks.

Further communication is achieved via regular meetings and site tool box talks with Management, operatives and non-operatives.

G K R Logistics Limited

Directors' report (continued)
For the year ended 31 October 2016

Disclosure of information to auditors

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

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

Auditors

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

This report was approved by the board on 9 June 2017 and signed on its behalf.

A handwritten signature in black ink, appearing to be 'N Rowsell', with a long horizontal line extending to the right.

N Rowsell
Director

G K R Logistics Limited

Group strategic report For the year ended 31 October 2016

Introduction

The directors present their strategic report and the financial statements for the year ended 31 October 2016.

Principal activity

The group's principal activity continues to be that of scaffolding suppliers.

Business Review

In the year ended 31st October 2016, sales increased by 35% to £28,036,323. Gross profit margins are unaltered at 44% despite the continuing tough economic climate. The group made a profit after tax of £5,864,268 (2015: £3,511,426).

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. All sales are to UK customers and all suppliers are UK based: the group has therefore not entered into any hedging arrangements in respect of risks relating to trade debtors and trade creditors. New customers are assessed for credit risks and credit limits apply where necessary. Sales for 2017 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.

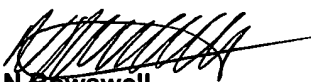
Development and performance

The group continues to invest in scaffold plant, the hiring out of which is the group's principal activity. The increase in activity during 2016 is expected to be maintained in 2017 and the group is in a healthy position to take advantage of any upturn in the 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.

This report was approved by the board on 9 June 2017 and signed on its behalf.



N. Rowswell
Director

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 2016, set out on pages 6 to 26. The relevant financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 on page 1, 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 Group strategic report and the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

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 2016 and of the Group's profit or loss 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 Group strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with those financial statements.

G K R Logistics Limited

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

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.



Michael Cook (BA)Hons FCA (Senior statutory auditor)
for and on behalf of
Kreston Reeves LLP
Chartered Accountants
Statutory Auditor
Third Floor
24 Chiswell Street
London
EC1Y 4YX

9 June 2017

G K R Logistics Limited

Consolidated profit and loss account For the year ended 31 October 2016

	Note	2016 £	2015 £
Turnover	2,3,4	28,036,323	20,842,842
Cost of sales		(15,823,581)	(11,753,243)
Gross profit		12,212,742	9,089,599
Distribution costs		(48,124)	(43,906)
Administrative expenses		(5,351,985)	(4,323,100)
Operating profit	5	6,812,633	4,722,593
Reversal of impairment		361,208	75,000
Amounts written off investments		-	(240,000)
Interest receivable and similar income		9,797	8,116
Interest payable and expenses		(13,230)	(6,980)
Profit before taxation		7,170,408	4,558,729
Tax on profit	8	(1,306,140)	(1,047,303)
Profit for the year		5,864,268	3,511,426

All amounts relate to continuing operations.

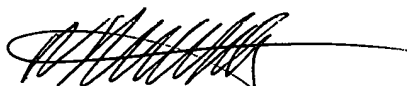
There were no recognised gains and losses for 2016 or 2015 other than those included in the consolidated profit and loss account.

The notes on pages 12 to 26 form part of these financial statements.

Consolidated balance sheet
As at 31 October 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	10	5,476,726	4,844,225
Current assets			
Stocks	13	570	2,400
Debtors	14	6,452,416	6,179,414
Cash at bank		5,528,658	2,535,264
		<u>11,981,644</u>	<u>8,717,078</u>
Creditors: amounts falling due within one year	15	<u>(2,947,731)</u>	<u>(3,691,315)</u>
Net current assets		<u>9,033,913</u>	<u>5,025,763</u>
Total assets less current liabilities		<u>14,510,639</u>	<u>9,869,988</u>
Creditors: amounts falling due after more than one year	16	-	(124,247)
Net assets		<u>14,510,639</u>	<u>9,745,741</u>
Capital and reserves			
Called up share capital	20	224	222
Profit and loss account	22	14,510,415	9,745,519
Shareholders' funds		<u>14,510,639</u>	<u>9,745,741</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 9 June 2017.



N Rowswell
Director

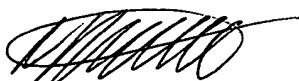
The notes on pages 12 to 26 form part of these financial statements.

G K R Logistics Limited
Registered number: 04164708

Company balance sheet
As at 31 October 2016

	Note	2016 £	2015 £
Fixed assets			
Investments	11	1,800,336	1,800,336
Current assets			
Cash at bank and in hand	2	-	-
Total assets less current liabilities		<u>1,800,338</u>	<u>1,800,336</u>
Net assets		<u><u>1,800,338</u></u>	<u><u>1,800,336</u></u>
Capital and reserves			
Called up share capital	20	224	222
Profit and loss account	22	<u>1,800,114</u>	<u>1,800,114</u>
		<u><u>1,800,338</u></u>	<u><u>1,800,336</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 9 June 2017.



N Rowswell
Director

The notes on pages 12 to 26 form part of these financial statements.

G K R Logistics Limited

**Consolidated statement of changes in equity
For the year ended 31 October 2016**

	Called up share capital	Profit and loss account	Total
	£	£	£
At 1 November 2015	222	9,745,519	9,745,741
Profit for the year	-	5,864,268	5,864,268
Dividends: Equity capital	-	(1,099,372)	(1,099,372)
Shares issued during the year	2	-	2
At 31 October 2016	224	14,510,415	14,510,639

**Consolidated statement of changes in equity
For the year ended 31 October 2015**

	Called up share capital	Profit and loss account	Total
	£	£	£
At 1 November 2014	222	6,542,393	6,542,615
Profit for the year	-	3,511,426	3,511,426
Dividends: Equity capital	-	(308,300)	(308,300)
At 31 October 2015	222	9,745,519	9,745,741

The notes on pages 12 to 26 form part of these financial statements.

G K R Logistics Limited

**Company statement of changes in equity
For the year ended 31 October 2016**

	Called up share capital	Profit and loss account	Total
	£	£	£
At 1 November 2015	222	1,800,114	1,800,336
Profit for the year	-	1,099,372	1,099,372
Dividends: Equity capital	-	(1,099,372)	(1,099,372)
Shares issued during the year	2	-	2
At 31 October 2016	224	1,800,114	1,800,338

**Company statement of changes in equity
For the year ended 31 October 2015**

	Called up share capital	Profit and loss account	Total
	£	£	£
At 1 November 2014	222	822,776	822,998
Profit for the year	-	1,285,638	1,285,638
Dividends: Equity capital	-	(308,300)	(308,300)
At 31 October 2015	222	1,800,114	1,800,336

The notes on pages 12 to 26 form part of these financial statements.

G K R Logistics Limited

Consolidated statement of cash flows
For the year ended 31 October 2016

	2016 £	2015 £
Cash flows from operating activities		
Profit for the financial year	5,864,268	3,511,426
Adjustments for:		
Depreciation of tangible assets	1,599,676	1,487,633
Profit on disposal of tangible assets	(24,123)	(45,775)
Interest paid	13,230	6,980
Interest received	(9,797)	(8,116)
Taxation charge	1,306,140	1,047,303
Decrease in stocks	1,830	800
Increase in debtors	(215,445)	(2,579,808)
(Decrease)/increase in creditors	(374,618)	923,509
Reversal of impairment	(361,208)	(75,000)
Corporation tax paid	(1,730,701)	(425,074)
Net cash generated from operating activities	<u>6,069,252</u>	<u>3,843,878</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(1,885,072)	(3,046,379)
Sale of tangible fixed assets	38,226	50,065
Interest received	4,080	2,628
HP interest paid	(1,734)	(379)
Associates interest received	5,717	5,488
Net cash from investing activities	<u>(1,838,783)</u>	<u>(2,988,577)</u>
Cash flows from financing activities		
Issue of ordinary shares	2	-
Repayment of loans	(126,209)	(103,943)
Written off investments	-	240,000
Repayment of other loans	-	(305,651)
Dividends paid	(1,099,372)	(308,300)
Interest paid	(11,496)	(6,601)
Net cash used in financing activities	<u>(1,237,075)</u>	<u>(484,495)</u>
Net increase in cash and cash equivalents	<u>2,993,394</u>	<u>370,806</u>
Cash and cash equivalents at beginning of year	<u>2,535,264</u>	<u>2,164,458</u>
Cash and cash equivalents at the end of year	<u><u>5,528,658</u></u>	<u><u>2,535,264</u></u>
Cash at bank and in hand	<u><u>5,528,658</u></u>	<u><u>2,535,264</u></u>

G K R Logistics Limited

Notes to the financial statements For the year ended 31 October 2016

1. General information

G K R Logistics Limited is a private limited company, incorporated and domiciled in England and Wales. The registered office is 94a High Street, Sevenoaks, Kent, TN13 1LP, and their principal activity can be found on page 3.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

Information on the impact of first-time adoption of FRS 102 is given in note 27.

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

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

2.3 Turnover

Turnover comprises revenue recognised by the group in respect of services relating to the erection and dismantling of scaffolding during the year, exclusive of Value Added Tax and trade discounts.

2.4 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.

Depreciation is provided on the following basis:

Plant & machinery	- 20% straight line
Motor vehicles	- 25% reducing balance
Fixtures & fittings	- 33.33% reducing balance

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.

2.5 Investments

- i) **Subsidiary undertakings**
Investments in subsidiaries are valued as cost less provision for impairment.

**Notes to the financial statements
For the year ended 31 October 2016**

2. Accounting policies (continued)

2.6 Operating leases

Rentals under operating leases and hire purchase agreements 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.

2.7 Stocks

Stocks are valued at the lower of cost and net realisable value.

2.8 Current and deferred taxation

The tax expenses for the year comprises current and deferred tax and is recognised in the Profit and loss account.

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

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

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

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

2.9 Pensions

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

2.10 Financial instruments

The group only enters into basic financial transactions that result in the recognition of financial assets and liabilities such as trade and other debtors and creditors and loans from banks.

**Notes to the financial statements
For the year ended 31 October 2016**

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

In the application of the group's accounting policies, which are described in Note 2, the directors are required to make judgments, estimates and assumptions which affect the reported amounts of assets, liabilities, revenues and expenses. The directors base their judgments estimates and assumptions on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates under different judgments or assumptions.

The group carries its freehold property at fair value, with changes in fair value being recognised in other comprehensive income. The valuation was completed by the directors using their knowledge of the local property market in order to assess the estimated amount for which the asset should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transactions after marketing and where the parties have each acted knowledgeably, prudently and without compulsion.

4. 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.

5. Operating profit

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

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- owned by the group	1,599,676	1,486,315
- held under finance leases	-	1,318
Auditors remuneration	17,500	14,000
Operating lease rentals:		
- plant and machinery	67,478	19,453
- other operating leases	64,850	(11,397)
Net profit on sale of fixed assets	(24,123)	(45,775)

Auditors remuneration for the company was £Nil (2015: £Nil).

**Notes to the financial statements
For the year ended 31 October 2016**

6. Staff costs

Staff costs, including directors' remuneration, were as follows:

	2016 £	2015 £
Wages and salaries	11,523,279	8,763,270
Social security costs	1,276,657	948,112
Cost of defined contribution scheme	81,973	59,815
	<u>12,881,909</u>	<u>9,771,197</u>

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

	2016 No.	2015 No.
Administration	21	26
Scaffolders & Drivers	263	197
	<u>284</u>	<u>223</u>

7. Directors' remuneration

	2016 £	2015 £
Directors' emoluments	233,913	205,552

The highest paid director received remuneration of £117,460 (2015 - £102,776).

8. Taxation

	2016 £	2015 £
Corporation tax		
Current tax on profits for the year	1,551,119	1,055,474
Adjustments in respect of previous periods	(183,069)	-
Total current tax	<u>1,368,050</u>	<u>1,055,474</u>
Deferred tax		
Origination and reversal of timing differences	(61,910)	(8,171)
Taxation on profit on ordinary activities	<u>1,306,140</u>	<u>1,047,303</u>

**Notes to the financial statements
For the year ended 31 October 2016**

8. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2015 - higher than) the standard rate of corporation tax in the UK of 20% (2015 - 20.4%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	7,170,408	4,558,729
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.4%)	1,434,082	929,981
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	76,794	112,050
Depreciation for the year in excess of capital allowances	118,989	20,223
Reversal of impairment	(72,242)	(15,300)
Deferred tax adjustments	(61,910)	(8,171)
FRS102 transition adjustment	-	8,520
Adjustments to tax charge in respect of prior periods	(183,069)	-
Other adjustments	(6,504)	-
Total tax charge for the year	1,306,140	1,047,303

G K R Logistics Limited

Notes to the financial statements For the year ended 31 October 2016

9. Intangible assets

Group and Company

	Goodwill £
Cost	
At 1 November 2015	949,405
Disposals	(949,405)
At 31 October 2016	<u>-</u>
Amortisation	
At 1 November 2015	949,405
On disposals	(949,405)
At 31 October 2016	<u>-</u>
Net book value	
At 31 October 2016	<u>-</u>
At 31 October 2015	<u>-</u>

G K R Logistics Limited

Notes to the financial statements For the year ended 31 October 2016

10. Tangible fixed assets

Group

	Freehold property £	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Total £
Cost					
At 1 November 2015	1,100,000	7,332,011	188,215	65,326	8,685,552
Additions	-	1,848,809	18,500	17,763	1,885,072
Disposals	-	(1,285,787)	(53,187)	-	(1,338,974)
Revaluations	361,208	-	-	-	361,208
At 31 October 2016	<u>1,461,208</u>	<u>7,895,033</u>	<u>153,528</u>	<u>83,089</u>	<u>9,592,858</u>
Depreciation					
At 1 November 2015	-	3,659,716	135,361	46,250	3,841,327
Charge for the period on owned assets	-	1,573,097	14,312	12,267	1,599,676
Disposals	-	(1,285,787)	(39,084)	-	(1,324,871)
At 31 October 2016	<u>-</u>	<u>3,947,026</u>	<u>110,589</u>	<u>58,517</u>	<u>4,116,132</u>
Net book value					
At 31 October 2016	<u>1,461,208</u>	<u>3,948,007</u>	<u>42,939</u>	<u>24,572</u>	<u>5,476,726</u>
At 31 October 2015	<u>1,100,000</u>	<u>3,672,295</u>	<u>52,854</u>	<u>19,076</u>	<u>4,844,225</u>

The Freehold property was revalued at year end by the directors, on an open market existing use basis.

G K R Logistics Limited

Notes to the financial statements For the year ended 31 October 2016

11. Fixed asset investments

Group

	Unlisted investments £
Cost	
At 1 November 2015	240,000
Disposals	(240,000)
At 31 October 2016	-
Impairment	
At 1 November 2015	240,000
Impairment on disposals	(240,000)
At 31 October 2016	-
Net book value	
At 31 October 2016	-
At 31 October 2015	-

Company

	Investments in subsidiary companies £
Cost	
At 1 November 2015 and 31 October 2016	1,800,336
Net book value	
At 31 October 2016	1,800,336
At 31 October 2015	1,800,336

12. Principal subsidiaries

The principal subsidiaries of the company during the year were G K R Scaffolding Limited and Frindsbury Properties Limited, both of which are incorporated and domiciled in England and Wales and of which the company holds 100% of ordinary shares. The principal activity of G K R Scaffolding Limited was scaffolding suppliers, whilst Frindsbury Properties Limited was property investment.

G K R Logistics Limited

Notes to the financial statements For the year ended 31 October 2016

13. Stocks

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Finished goods and goods for resale	570	2,400	-	-

14. Debtors

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Trade debtors	5,921,637	5,849,954	-	-
Other debtors	109,282	81,512	-	-
Prepayments and accrued income	298,908	187,269	-	-
Deferred tax asset (see note 20)	122,589	60,679	-	-
	<u>6,452,416</u>	<u>6,179,414</u>	<u>-</u>	<u>-</u>

15. Creditors: Amounts falling due within one year

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Bank loans	113,038	115,000	-	-
Trade creditors	962,773	1,395,663	-	-
Corporation tax	422,369	789,373	-	-
Other taxation and social security	1,094,137	924,996	-	-
Other creditors	159,913	177,293	-	-
Accruals and deferred income	195,501	288,990	-	-
	<u>2,947,731</u>	<u>3,691,315</u>	<u>-</u>	<u>-</u>

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

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Bank loans	-	124,247	-	-

**Notes to the financial statements
For the year ended 31 October 2016**

17. Loans

Included within 'Bank loans' in note 15 and 16 are amounts falling due as follows:

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Amounts falling due within one year				
Bank loans	<u>113,038</u>	<u>115,000</u>	<u>-</u>	<u>-</u>
Amounts falling due 1-2 years				
Bank loans	<u>-</u>	<u>115,000</u>	<u>-</u>	<u>-</u>
Amounts falling due 2-5 years				
Bank loans	<u>-</u>	<u>9,247</u>	<u>-</u>	<u>-</u>

The Bank loans above total £113,038 (2015: £239,247) and are due to Barclays Bank plc. The loans bear interest at a rate of 1.5% over Barclays Bank plc base rate and are due for repayment on 31 March 2025. The loans are secured against the group's freehold property. The loans are repayable in instalments until they mature on 31 March 2025, however the Directors believe they will be repaid within one year, therefore wholly included in note 15.

18. Financial instruments

	Group 2016 £	Group 2015 £
Financial assets		
Financial assets measured at amortised cost	<u>6,032,463</u>	<u>5,930,980</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>1,426,558</u>	<u>1,969,070</u>

The balance sheet values of financial assets and financial liabilities are not materially different to their fair values

G K R Logistics Limited

Notes to the financial statements For the year ended 31 October 2016

19. Deferred taxation

Group

	2016 £
At beginning of year	60,679
Charged to profit or loss	61,910
At end of year	122,589
	Group 2016 £
Accelerated capital allowances	122,589

20. Share capital

	2016 £	2015 £
Shares classified as equity		
Allotted, called up and fully paid		
222 Ordinary Class A shares of £1 each	222	222
2 Ordinary Class B shares of £1 each	2	-
	224	222

Two ordinary class 'B' shares were issued in the year, and fully paid for a value of £1 per share.

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 for the year dealt within the accounts of the company was £1,099,372 (2015: £1,285,638).

Notes to the financial statements
For the year ended 31 October 2016

21. Dividends

	2016 £	2015 £
Ordinary Class A		
Dividend £4,808 (2015: £1,389) per share	1,067,372	308,300
Ordinary Class B		
Dividend £16,000 (2015: £Nil) per share	32,000	-
	<u>1,099,372</u>	<u>308,300</u>

22. Reserves

Profit & loss account

The Profit and loss account comprises all current and prior period retained profits and losses.

Share capital

This represents the nominal value of shares that have been issued by the company.

23. Pension commitments

The group operates a defined contributions pension scheme for three employees. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £14,808 (2015: £14,008).

In addition, the group's contributions to NEST in the year amounted to £67,165 (2015: £45,807). At the year end £13,807 (2015: £11,195) remained unpaid.

24. Operating lease commitments

At 31 October 2016 the group had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2016 £	Group 2015 £
Not later than 1 year	11,788	12,455
Later than 1 year and not later than 5 years	238,135	86,447
	<u>249,923</u>	<u>98,902</u>

**Notes to the financial statements
For the year ended 31 October 2016**

25. Related party transactions

During the year the group was charged management charges of £420,000 (2015: £385,000) plus VAT and £3,808 (2015: £12,240) plus VAT for hire of vehicles by G K & Y Rowswell Partnership, a partnership of which all directors are partners of. During the year the group paid £495,542 (2015: £Nil) in respect of these costs. In addition, the group paid expenses on behalf of the partnership totalling £32,038 (2015: £3,945) and the group made loan repayments totalling £Nil (2015: £313,729). At the balance sheet date the group was owed £82,038 (2015: owed £13,028) by the partnership and is included in other debtors in note 14 to the accounts.

During the year the group made a loan to G Rowswell of £50,000 (2015: £Nil). At the balance sheet date the group was owed £50,000 (2015: £Nil) and is included in Other Debtors in note 14 to these accounts.

During the year the group met expenditure on behalf of N Rowswell totaling £820,837 (2015: £1,678) and received £822,515 (2015: £Nil) from N Rowswell. At the balance sheet date the group was owed £Nil (2015: £1,678) which is included in other debtors in note 14 of these accounts.

During the prior year the group made a loan to L Rowswell of £38,000, which was repaid during the year. At the balance sheet date the group was owed £Nil (2015: £38,000) in respect of this loan which is included in other debtors in note 14 of these accounts.

26. 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 2016**

27. First time adoption of FRS 102

The Group and Company transitioned to FRS 102 from previously extant UK GAAP as at 1 November 2014. The impact of the transition to FRS 102 is as follows:

Group

		As previously stated 1 November 2014 £	Effect of transition 1 November 2014 £	FRS 102 (as restated) 1 November 2014 £	As previously stated 31 October 2015 £	Effect of transition 31 October 2015 £	FRS 102 (as restated) 31 October 2015 £
	Note						
Fixed assets	1	3,462,672	(7,903)	3,454,769	4,777,128	67,097	4,844,225
Current assets		5,759,092	-	5,759,092	8,717,078	-	8,717,078
Creditors: amounts falling due within one year	2	(2,033,478)	(100,927)	(2,134,405)	(3,548,620)	(142,695)	(3,691,315)
Net current assets		3,725,614	(100,927)	3,624,687	5,168,458	(142,695)	5,025,763
Total assets less current liabilities		7,188,286	(108,830)	7,079,456	9,945,586	(75,598)	9,869,988
Creditors: amounts falling due after more than one year		(536,841)	-	(536,841)	(124,247)	-	(124,247)
Net assets		6,651,445	(108,830)	6,542,615	9,821,339	(75,598)	9,745,741
Capital and reserves		6,651,445	(108,830)	6,542,615	9,821,339	(75,598)	9,745,741

Notes to the financial statements
For the year ended 31 October 2016

27. First time adoption of FRS 102 (continued)

		As previously stated 31 October 2015 £	Effect of transition 31 October 2015 £	FRS 102 (as restated) 31 October 2015 £
	Note			
Turnover		20,842,842	-	20,842,842
Cost of sales		(11,753,243)	-	(11,753,243)
		9,089,599	-	9,089,599
Distribution expenses		(43,906)	-	(43,906)
Administrative expenses	2	(4,281,332)	(41,768)	(4,323,100)
Operating profit		4,764,361	(41,768)	4,722,593
Income from shares in group undertakings	1	-	75,000	75,000
Amounts written off investments		(240,000)	-	(240,000)
Interest receivable and similar income		8,116	-	8,116
Interest payable and similar charges		(6,980)	-	(6,980)
Taxation		(1,047,303)	-	(1,047,303)
Profit on ordinary activities after taxation and for the financial year		3,478,194	33,232	3,511,426

Explanation of changes to previously reported profit and equity:

- 1 Due to the transition to FRS 102, the Freehold property held in the group is now shown at its fair value in the accounts, with the reversal of impairment on the property of £75,000 going through the profit and loss account.
- 2 In relation to the recognition of holiday pay accrual, an additional accrual of £100,927 at 1st November 2014 has been made, the provision at 31st October 2015 has increased to £142,695 and the increase of £41,768 has been charged to the profit and loss account.

Company

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss for the company.