

Registered number: 04164708

G K R Logistics Limited

Annual report and financial statements

For the year ended 31 October 2017

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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

Group strategic report For the year ended 31 October 2017

Introduction

The directors present their strategic report and the financial statements for the year ended 31 October 2017.

Principal activity

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

Business Review

In the year ended 31st October 2017, sales reduced by 6.5% to £26,209,607. Gross profit margins decreased slightly from 43.6% to 41.6%. The group made a profit after tax of £3,058,922 (2016: £5,864,268).

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 2018 are expected to remain similar. The group is fortunate in that it has no long term commitments for the supply of labour 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

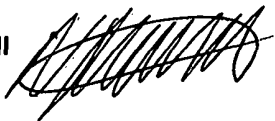
The group continues to invest in scaffold plant, the hiring out of which is the group's principal activity. The decrease in activity during 2017 is not to be expected to repeat in 2018 as the company is always looking to grow. The company is in a healthy position to take advantage of any upturn in the 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 15 May 2018 and signed on its behalf.

N Rowsell
Director



G K R Logistics Limited

Directors' report For the year ended 31 October 2017

The directors present their report and the financial statements for the year ended 31 October 2017.

Directors

The directors who served during the year were:

G Rowswell
L Rowswell
N Rowswell

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 to 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 £3,058,922 (2016: £5,864,268).

The directors paid an ordinary dividend of £6,363 (2016: £4,808) per ordinary 'A' share and an ordinary dividend of £24,000 (2016: £16,000) 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 2017

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.

Post balance sheet events

On 2 May 2018 the group completed and exchanged on a property for £2.25m.

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 15 May 2018 and signed on its behalf.

N Rowsell
Director



G K R Logistics Limited

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

Opinion

We have audited the financial statements of G K R Logistics Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 October 2017, which comprise the Group profit and loss account, the Group and Company Balance sheets, the Group Statement of cash flows, the Group and Company Statement of changes in equity and the related notes, 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).

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.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 October 2017 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' report 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

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

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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinion 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 Group strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group strategic report and the Directors' report 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 Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

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

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 an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

G K R Logistics Limited

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

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an 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.



Michael Cook (BA)Hons FCA (Senior statutory auditor)

for and on behalf of

Kreston Reeves LLP

Chartered Accountants

Statutory Auditor

London

15 May 2018

G K R Logistics Limited

Consolidated profit and loss account For the year ended 31 October 2017

	Note	2017 £	2016 £
Turnover	4	26,209,607	28,036,323
Cost of sales		(15,312,599)	(15,823,581)
Gross profit		10,897,008	12,212,742
Distribution costs		(554,638)	(48,124)
Administrative expenses		(6,473,598)	(5,351,985)
Operating profit	5	3,868,772	6,812,633
Reversal of impairment		-	361,208
Interest receivable and similar income		3,189	9,797
Interest payable and expenses		(525)	(13,230)
Profit before taxation		3,871,436	7,170,408
Tax on profit	9	(812,514)	(1,306,140)
Profit for the financial year		3,058,922	5,864,268

There were no recognised gains and losses for 2017 or 2016 other than those included in the consolidated profit and loss account.

There was no other comprehensive income for 2017 (2016:£NIL).

The notes on pages 14 to 23 form part of these financial statements.

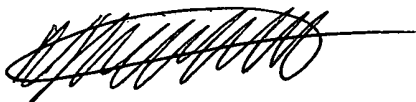
G K R Logistics Limited
Registered number: 04164708

Consolidated balance sheet
As at 31 October 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	10	6,452,640	5,476,726
Current assets			
Stocks	13	3,350	570
Debtors	14	8,457,497	6,452,416
Bank & cash balances		4,814,607	5,528,658
		<u>13,275,454</u>	<u>11,981,644</u>
Creditors: amounts falling due within one year	15	(3,619,081)	(2,947,731)
Net current assets		<u>9,656,373</u>	<u>9,033,913</u>
Net assets		<u><u>16,109,013</u></u>	<u><u>14,510,639</u></u>
Capital and reserves			
Called up share capital	18	224	224
Profit and loss account	20	16,108,789	14,510,415
		<u><u>16,109,013</u></u>	<u><u>14,510,639</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 15 May 2018.

N Rowswell
Director



The notes on pages 14 to 23 form part of these financial statements.

G K R Logistics Limited
Registered number: 04164708

Company balance sheet
As at 31 October 2017

	Note	2017 £	2016 £
Fixed assets			
Investments	11	1,800,336	1,800,336
		<u>1,800,336</u>	<u>1,800,336</u>
Current assets			
Financial Instruments		2	2
		<u>2</u>	<u>2</u>
Total assets less current liabilities		<u>1,800,338</u>	<u>1,800,338</u>
Net assets		<u>1,800,338</u>	<u>1,800,338</u>
Capital and reserves			
Called up share capital	18	224	224
Profit and loss account carried forward		1,800,114	1,800,114
		<u>1,800,338</u>	<u>1,800,338</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 15 May 2018.

N Rowswell
Director



G K R Logistics Limited

**Consolidated statement of changes in equity
For the year ended 31 October 2017**

	Called up share capital	Profit and loss account	Total
	£	£	£
At 1 November 2016	224	14,510,415	14,510,639
Profit for the year	-	3,058,922	3,058,922
Dividends: Equity capital	-	(1,460,548)	(1,460,548)
At 31 October 2017	224	16,108,789	16,109,013

**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

The notes on pages 14 to 23 form part of these financial statements.

G K R Logistics Limited**Company statement of changes in equity
For the year ended 31 October 2017**

	Called up share capital	Profit and loss account	Total
	£	£	£
At 1 November 2016	224	1,800,114	1,800,338
Profit for the year	-	1,460,548	1,460,548
Dividends: Equity capital	-	(1,460,548)	(1,460,548)
At 31 October 2017	224	1,800,114	1,800,338

**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

The notes on pages 14 to 23 form part of these financial statements.

G K R Logistics Limited

**Consolidated statement of cash flows
For the year ended 31 October 2017**

	2017 £	2016 £
Cash flows from operating activities		
Profit for the financial year	3,058,922	5,864,268
Adjustments for:		
Depreciation of tangible assets	2,046,991	1,599,676
Loss on disposal of tangible assets	(80,819)	(24,123)
Interest paid	525	13,230
Interest received	(3,189)	(9,797)
Taxation charge	812,514	1,306,140
(Increase)/decrease in stocks	(2,780)	1,830
(Increase) in debtors	(1,601,935)	(215,445)
Increase/(decrease) in creditors	1,183,098	(374,618)
Corporation tax paid	(1,628,324)	(1,730,701)
Reversal of impairment	-	(361,208)
Net cash generated from operating activities	<u>3,785,003</u>	<u>6,069,252</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(3,033,118)	(1,885,072)
Sale of tangible fixed assets	91,032	38,226
Interest received	-	4,080
Associates interest received	3,189	5,717
HP interest paid	-	(1,734)
Net cash from investing activities	<u>(2,938,897)</u>	<u>(1,838,783)</u>
Cash flows from financing activities		
Issue of ordinary shares	-	2
Repayment of loans	(113,038)	(126,209)
Repayment of/new finance leases	13,954	-
Dividends paid	(1,460,548)	(1,099,372)
Interest paid	(525)	(11,496)
Net cash used in financing activities	<u>(1,560,157)</u>	<u>(1,237,075)</u>
Net (decrease)/increase in cash and cash equivalents	<u>(714,051)</u>	<u>2,993,394</u>
Cash and cash equivalents at beginning of year	5,528,658	2,535,264
Cash and cash equivalents at the end of year	<u><u>4,814,607</u></u>	<u><u>5,528,658</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	4,814,607	5,528,658
	<u><u>4,814,607</u></u>	<u><u>5,528,658</u></u>

G K R Logistics Limited

Notes to the financial statements For the year ended 31 October 2017

1. General information

GKR 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 1.

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.

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 Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own profit and loss account in these financial statements.

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

Subsidiary undertakings

Investments in subsidiaries are measured at cost less accumulated impairment.

**Notes to the financial statements
For the year ended 31 October 2017**

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 expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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 and the Group operate and generate 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 2017**

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:

	2017 £	2016 £
Depreciation of tangible fixed assets	2,046,991	1,599,676
Other operating lease rentals	226,535	132,328
Net profit on sale of fixed asset	(80,819)	(24,123)

6. Auditors' remuneration

	2017 £	2016 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	21,500	17,500
Fees payable to the Group's auditor and its associates in respect of:		
All other services	-	400
	-	400

**Notes to the financial statements
For the year ended 31 October 2017**

7. Staff costs

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

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Wages and salaries	11,899,588	11,523,279	-	-
Social security costs	1,346,313	1,276,657	-	-
Cost of defined contribution scheme	83,351	81,973	-	-
	13,329,252	12,881,909	-	-

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

	2017 No.	2016 No.
Administration	23	21
Scaffolders & Drivers	247	263
	270	284

The Company has no employees other than the directors, who did not receive any remuneration (2016 - £NIL)

8. Directors' remuneration

	2017 £	2016 £
Directors' emoluments	259,025	233,913

The highest paid director received remuneration of £143,563 (2016 - £117,460).

Apart from directors, there are no other key management personnel.

**Notes to the financial statements
For the year ended 31 October 2017**

9. Taxation

	2017 £	2016 £
Corporation tax		
Current tax on profits for the year	947,186	1,551,119
Adjustments in respect of previous periods	(76,351)	(183,069)
Total current tax	<u>870,835</u>	<u>1,368,050</u>
Deferred tax		
Origination and reversal of timing differences	(58,321)	(61,910)
Taxation on profit on ordinary activities	<u><u>812,514</u></u>	<u><u>1,306,140</u></u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2016 - lower than) the standard rate of corporation tax in the UK of 19.4% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	<u>3,871,436</u>	<u>7,170,408</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.4% (2016 - 20%)	751,067	1,434,082
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	129,968	76,794
Capital allowances for year in excess of depreciation	103,218	118,989
Reversal of impairment	-	(72,242)
Deferred tax adjustments	(58,321)	(61,910)
Adjustments to tax charge in respect of prior periods	(76,351)	(183,069)
Other adjustments	(37,067)	(6,504)
Total tax charge for the year	<u><u>812,514</u></u>	<u><u>1,306,140</u></u>

G K R Logistics Limited

Notes to the financial statements For the year ended 31 October 2017

10. Tangible fixed assets

Group

	Freehold property £	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Total £
Cost					
At 1 November 2016	1,461,208	7,895,033	153,528	83,089	9,592,858
Additions	65,319	2,879,785	60,426	27,588	3,033,118
Disposals	-	(734,305)	(47,269)	-	(781,574)
At 31 October 2017	<u>1,526,527</u>	<u>10,040,513</u>	<u>166,685</u>	<u>110,677</u>	<u>11,844,402</u>
Depreciation					
At 1 November 2016	-	3,947,026	110,589	58,517	4,116,132
Charge for the year on owned assets	-	2,005,148	24,457	17,386	2,046,991
Disposals	-	(734,305)	(37,056)	-	(771,361)
At 31 October 2017	<u>-</u>	<u>5,217,869</u>	<u>97,990</u>	<u>75,903</u>	<u>5,391,762</u>
Net book value					
At 31 October 2017	<u>1,526,527</u>	<u>4,822,644</u>	<u>68,695</u>	<u>34,774</u>	<u>6,452,640</u>
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>

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

11. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost	
At 1 November 2016	<u>1,800,336</u>
Net book value	
At 31 October 2017	<u>1,800,336</u>
At 31 October 2016	<u>1,800,336</u>

**Notes to the financial statements
For the year ended 31 October 2017**

12. Principal subsidiaries

The principal subsidiaries of the company during the year were GKR 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 GKR Scaffolding Limited was scaffolding suppliers, whilst Frindsbury Properties Limited was property investment. The registered offices do not differ from GKR Logistics.

13. Stocks

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Finished goods and goods for resale	3,350	570	-	-

14. Debtors

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Trade debtors	7,499,756	5,921,637	-	-
Other debtors	490,036	109,282	-	-
Prepayments and accrued income	286,795	298,908	-	-
Deferred taxation (note 19)	180,910	122,589	-	-
	8,457,497	6,452,416	-	-

15. Creditors: Amounts falling due within one year

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Bank loans	-	113,038	-	-
Trade creditors	2,172,462	962,773	-	-
Corporation tax	9,705	422,369	-	-
Other taxation and social security	795,306	1,094,137	-	-
Other creditors	238,439	159,913	-	-
Accruals and deferred income	403,169	195,501	-	-
	3,619,081	2,947,731	-	-

G K R Logistics Limited

Notes to the financial statements For the year ended 31 October 2017

16. Financial instruments

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Financial assets				
Financial assets measured at amortised cost	<u>7,644,966</u>	<u>6,032,463</u>	<u>2</u>	<u>2</u>
Financial liabilities				
Financial liabilities measured at amortised cost	<u>2,796,453</u>	<u>1,426,558</u>	<u>-</u>	<u>-</u>

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

Financial assets measured at amortised cost comprise trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, bank loans, other creditors and accruals.

17. Deferred taxation

Group

	2017 £
At beginning of year	122,589
Charged to profit or loss	58,321
At end of year	<u>180,910</u>

The deferred tax asset is made up as follows:

	Group 2017 £	Group 2016 £
Accelerated capital allowances	<u>180,910</u>	122,589
	<u>180,910</u>	<u>122,589</u>

**Notes to the financial statements
For the year ended 31 October 2017**

18. Share capital

	2017 £	2016 £
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	2
	224	224

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 £1,460,548 (2016: £1,099,372).

19. Dividends

	2017 £	2016 £
Ordinary Class A		
Dividend £6,363 (2016: £4,808) per share	1,412,548	1,067,372
Ordinary Class B		
Dividend £24,000 (2016: £16,000) per share	48,000	32,000
	1,460,548	1,099,372

20. 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.

21. 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 (2016: £14,808).

In addition, the group's contributions to NEST in the year amounted to £68,542 (2016: £67,165). At the year end £14,974 (2016: £13,807) remained unpaid.

G K R Logistics Limited

Notes to the financial statements For the year ended 31 October 2017

22. Operating lease commitments

At 31 October 2017 the group had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2017 £	Group 2016 £
Not later than 1 year	261,764	159,462
Later than 1 year and not later than 5 years	497,965	403,992
	759,729	563,454

23. Related party transactions

During the year the group was charged management charges of £420,000 (2016: £420,000) plus VAT and £163 (2016: £3,808) 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 £420,163 (2016: £495,542) in respect of these costs. In addition, the group paid expenses on behalf of the partnership totalling £54,200 (2016: £32,038). At the balance sheet date the group was owed £54,200 (2016: owed £82,038) 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 £23,158 (2016: £50,000). Repayments of £73,158 (2016: £Nil) was made. At the balance sheet date the group was owed £Nil (2016: £50,000).

During the year the group met expenditure on behalf of N Rowswell totaling £122,174 (2016 £820,837) and received £120,438 (2016: £822,515) from N Rowswell. At the balance sheet date the group was owed £12,904 (2016: £Nil) which is included in other debtors in note 14 of these accounts.

During the year the company met expenditure on behalf of L Rowswell totalling £113,804 (2016: Nil), of which £107,606 (2016: £Nil) was repaid. At the balance sheet date the company was owed £6,198 (2016: £Nil) which is included in other debtors in Note 14 of these accounts.

24. Post balance sheet events

On 2 May 2018 the group completed and exchanged on a property for £2.25m.

25. Controlling party

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