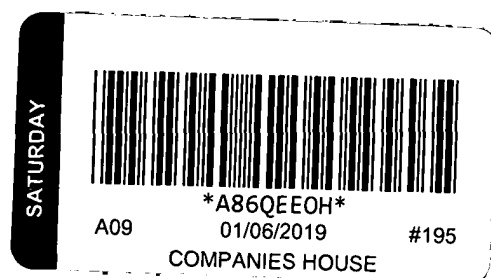


Registered number: 04164708

G K R LOGISTICS LIMITED
DIRECTORS' REPORT AND FINANCIAL
STATEMENTS
FOR THE YEAR ENDED
31 OCTOBER 2018



G K R LOGISTICS LIMITED

COMPANY INFORMATION

Directors

G Rowswell
L Rowswell
N Rowswell

Registered number

04164708

Registered office

94a High Street
Sevenoaks
Kent
TN13 1LP

Independent auditors

Creaseys Group Limited
Chartered Accountants and Statutory Auditors
Brockbourne House
77 Mount Ephraim
Tunbridge Wells
Kent
TN4 8BS

Accountants

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

G K R LOGISTICS LIMITED

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Company balance sheet	9
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G K R LOGISTICS LIMITED

GROUP STRATEGIC REPORT

FOR THE YEAR ENDED 31 OCTOBER 2018

Introduction

The directors present their Group strategic report and the financial statements for the year ended 31 October 2018.

Business review

In the year ended 31 October 2018, sales increased by 44.2% to £37,782,023. Gross profit margins decreased slightly from 41.6% to 37.7%. The Group made a profit after tax of £4,524,157 (2017: £3,058,922).

Principal risks and uncertainties

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 prior to tendering and orders put in place before commencing new projects. On new contracts 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 and operating costs are the major risks. All sales are to UK customers and all suppliers are UK based: the group has not entered into any hedging arrangements in respect of risks relating to trade debtors or trade creditors. New customers are assessed for credit risk and credit limits apply where necessary. Sales for 2019 are expected to be 20% lower. Battersea is decreasing in volume and Tottenham Hotspur F.C. is finishing, operatives will decline in line with contract needs. Management and clerical are expected to remain the same to enable us to obtain the high professional standard that we provide within the industry.

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

Development and performance

With the Group predicting that turnover will be 20% lower than in 2018, the need for new stock will be minimal, with this the Group should see an increase in profits as the Group self-funds all material purchases, the business has brought in allocation sheets to target the labour on production outputs and further developments within its own in-house academy.

Financial 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 and signed on its behalf.


N Rowsell
Director

Date: 14/05/2019.

G K R LOGISTICS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 OCTOBER 2018

The directors present their report and the financial statements for the year ended 31 October 2018.

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 judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 to £4,524,157 (2017 -£3,058,922).

The directors paid an ordinary dividend of £5,757 (2017: £6,363) per ordinary 'A' share and an ordinary dividend of £22,000 (2017: £24,000) per ordinary 'B' share in the period.

Directors

The directors who served during the year were:

G Rowsell
L Rowsell
N Rowsell

Employee involvement

The Group uses 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 Group 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 2018

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.

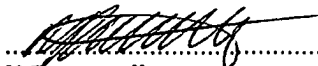
Post balance sheet events

Post year end the Group has acquired additional investment property for £1.8m.

Auditors

The auditors, Creaseys Group Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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


.....
N Rowsell
Director

Date: 14/05/2019

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 2018, which comprise the Group Statement of income and retained earnings, the Group and Company Balance sheets, the Group Statement of cash flows 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).

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 2018 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.

G K R LOGISTICS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF G K R LOGISTICS LIMITED (CONTINUED)

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 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.

G K R LOGISTICS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF G K R LOGISTICS LIMITED (CONTINUED)

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.

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

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.



James Pearce BA (Hons) FCA (Senior statutory auditor)

for and on behalf of

Creaseys Group Limited

Chartered Accountants and Statutory Auditors

Brockbourne House
77 Mount Ephraim
Tunbridge Wells
Kent
TN4 8BS

Date:

17/5/19

G K R LOGISTICS LIMITED**CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 OCTOBER 2018**

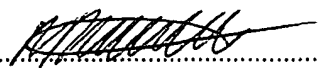
	Note	2018 £	2017 £
Turnover	4	37,782,023	26,209,607
Cost of sales		(23,522,832)	(15,312,599)
Gross profit		14,259,191	10,897,008
Distribution costs		(600,119)	(554,638)
Administrative expenses		(8,062,625)	(6,473,598)
Operating profit	5	5,596,447	3,868,772
Interest receivable and similar income	9	12,953	3,189
Interest payable and expenses	10	(31,500)	(525)
Profit before tax		5,577,900	3,871,436
Tax on profit	11	(1,053,743)	(812,514)
Profit after tax		4,524,157	3,058,922
Retained earnings at the beginning of the year		16,108,789	14,510,415
		16,108,789	14,510,415
Profit for the year attributable to the owners of the parent		4,524,157	3,058,922
Dividends declared and paid		(1,322,021)	(1,460,548)
Retained earnings at the end of the year		19,310,925	16,108,789
Non-controlling interest at the end of the year			

The notes on pages 11 to 23 form part of these financial statements.

G K R LOGISTICS LIMITED
REGISTERED NUMBER:04164708
CONSOLIDATED BALANCE SHEET
AS AT 31 OCTOBER 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	12	10,341,025	6,452,640
		<u>10,341,025</u>	<u>6,452,640</u>
Current assets			
Stocks	14	725	3,350
Debtors	15	9,450,098	8,457,497
Cash at bank and in hand		4,663,103	4,814,607
		<u>14,113,926</u>	<u>13,275,454</u>
Creditors: amounts falling due within one year	16	(3,756,741)	(3,619,081)
Net current assets		<u>10,357,185</u>	<u>9,656,373</u>
Total assets less current liabilities		<u>20,698,210</u>	<u>16,109,013</u>
Creditors: amounts falling due after more than one year	17	(1,387,061)	-
Provisions for liabilities			
Net assets		<u>19,311,149</u>	<u>16,109,013</u>
Capital and reserves			
Called up share capital	21	224	224
Profit and loss account	23	19,310,925	16,108,789
		<u>19,311,149</u>	<u>16,109,013</u>

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


N Rowsell
 Director

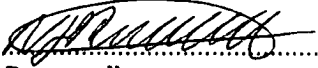
Date:

The notes on pages 11 to 23 form part of these financial statements.

G K R LOGISTICS LIMITED
REGISTERED NUMBER:04164708
COMPANY BALANCE SHEET
AS AT 31 OCTOBER 2018

	Note	2018 £	2017 £
Fixed assets			
Investments	13	1,800,336	1,800,336
Current assets			
Cash at bank and in hand	7	2	
Creditors: amounts falling due within one year	16	(5)	-
Net current assets		2	2
Total assets less current liabilities		1,800,338	1,800,338
Net assets		1,800,338	1,800,338
Capital and reserves			
Called up share capital	21	224	224
Profit and loss account	23	1,800,114	1,800,114
		1,800,338	1,800,338

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


N Rowswell
 Director

Date: 14/05/2019.

The notes on pages 11 to 23 form part of these financial statements.

G K R LOGISTICS LIMITED**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 OCTOBER 2018**

	2018 £	2017 £
Cash flows from operating activities		
Profit for the financial year	4,524,157	3,058,922
Adjustments for:		
Depreciation of tangible assets	2,717,132	2,046,991
Loss on disposal of tangible assets	(98,058)	(80,819)
Interest paid	31,500	525
Interest received	(12,953)	(3,189)
Taxation charge	1,053,743	812,514
Decrease/(increase) in stocks	2,625	(2,780)
(Increase) in debtors	(1,247,439)	(1,601,935)
Increase in creditors	29,640	1,183,098
Corporation tax (paid)	(773,795)	(1,628,324)
Net cash generated from operating activities	<u>6,226,552</u>	<u>3,785,003</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(6,609,673)	(3,033,118)
Sale of tangible fixed assets	102,214	91,032
Interest received	12,953	3,189
Net cash from investing activities	<u>(6,494,506)</u>	<u>(2,938,897)</u>
Cash flows from financing activities		
New secured loans	1,476,669	-
Dividends paid	(1,322,021)	(1,460,548)
Interest paid	(31,500)	(525)
Repayment of loans	-	(113,038)
Repayment of/new finance leases	(6,698)	13,954
Net cash used in financing activities	<u>116,450</u>	<u>(1,560,157)</u>
Net (decrease) in cash and cash equivalents	<u>(151,504)</u>	<u>(714,051)</u>
Cash and cash equivalents at beginning of year	4,814,607	5,528,658
Cash and cash equivalents at the end of year	<u>4,663,103</u>	<u>4,814,607</u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	4,663,103	4,814,607
	<u>4,663,103</u>	<u>4,814,607</u>

The notes on pages 11 to 23 form part of these financial statements.

G K R LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

1. General information

G K R Logistics Limited is a private company, limited by shares, which is registered and domiciled in England and Wales. The registered office is 94a High Street, Sevenoaks, Kent, TN13 1LP. The principal place of business is Independent House, Arnolde Close, Medway City Estate, Rochester, Kent, ME2 4QW. The principal activity of the Company is that of a holding company.

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 financial statements are presented in pounds sterling and are rounded to the nearest £1.

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 judgement 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 Statement of income and retained earnings 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 is recognised to the extent that it is probable that the economic benefits will flow to the Group and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding trade discounts, rebates, value added tax, and other sales taxes. Turnover comprises revenue recognised by the Group in respect of services relating to the erection and dismantling of scaffolding.

G K R LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

2. Accounting policies (continued)

2.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land and buildings. 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 and machinery	-	20% straight line
Motor vehicles	-	25% reducing balance
Fixtures and fittings	-	33% reducing balance

2.5 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

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 lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.7 Interest income

Interest income is recognised in the Consolidated statement of income and retained earnings using the effective interest method.

2.8 Stocks

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

2.9 Finance costs

Finance costs are charged to the Consolidated statement of income and retained earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

G K R LOGISTICS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2018

2. Accounting policies (continued)

2.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated statement of income and retained earnings, 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.

2.11 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.

2.12 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.13 Financial instruments

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

2.14 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders.

3. Judgements 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 judgements, estimates and assumptions which affect the reported amounts of assets, liabilities, revenues and expenses. The directors base their judgements, estimates and assumptions on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates under different judgements or assumptions.

G K R LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

4. Turnover

The whole of the turnover for the group is attributable to its principal activity of scaffold supplies.

All turnover arose within the United Kingdom.

5. Operating profit

The operating profit is stated after charging:

	2018 £	2017 £
Other operating lease rentals	171,749	140,393

6. Auditors' remuneration

	2018 £	2017 £
Fees payable to the Group's auditor for the audit of the Group's annual financial statements	22,400	15,000

7. Employees

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

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Wages and salaries	16,983,774	11,899,588	-	-
Social security costs	1,936,480	1,346,313	-	-
Cost of defined contribution scheme	163,284	83,351	-	-
	19,083,538	13,329,252	-	-

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

	Group 2018 No.	Group 2017 No.	Company 2018 No.	Company 2017 No.
Administration	28	23	3	3
Scaffolders and Drivers	369	247	-	-
	397	270	3	3

G K R LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

8. Directors' remuneration

	2018	2017
	£	£
Directors' emoluments	<u>270,780</u>	<u>259,025</u>

The highest paid director received remuneration of £141,457 (2017: £143,563).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2017: £NIL).

The value of the company's contributions paid to a defined benefit pension scheme in respect of the highest paid director amounted to £NIL (2017: £NIL).

The total accrued pension provision of the highest paid director at 31 October 2018 amounted to £NIL (2017: £NIL).

The amount of the accrued lump sum in respect of the highest paid director at 31 October 2018 amounted to £NIL (2017: £NIL).

9. Interest receivable

	2018	2017
	£	£
Other interest receivable	<u>12,953</u>	<u>3,189</u>

10. Interest payable and similar expenses

	2018	2017
	£	£
Bank interest payable	8,059	520
Mortgage interest payable	23,437	-
Other interest payable	4	5
	<u>31,500</u>	<u>525</u>

G K R LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

11. Taxation

	2018 £	2017 £
Corporation tax		
Current tax on profits for the year	1,275,504	947,186
Adjustments in respect of previous periods	(131,775)	(76,351)
	<u>1,143,729</u>	<u>870,835</u>
Total current tax	<u>1,143,729</u>	<u>870,835</u>
Deferred tax		
Origination and reversal of timing differences	(89,986)	(58,321)
Total deferred tax	<u>(89,986)</u>	<u>(58,321)</u>
Taxation on profit on ordinary activities	<u>1,053,743</u>	<u>812,514</u>

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2017 -higher than) the standard rate of corporation tax in the UK of 19% (2017 -19.4%). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	<u>5,577,900</u>	<u>3,871,436</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 -19.4%)	1,059,801	751,067
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	613,581	129,968
Capital allowances for year in excess of depreciation	(377,857)	103,218
Adjustments to tax charge in respect of prior periods	(131,775)	(76,351)
Deferred tax adjustments	(89,986)	(58,321)
Other adjustments	-	(37,067)
Non-taxable income	(20,021)	-
Total tax charge for the year	<u>1,053,743</u>	<u>812,514</u>

G K R LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

12. Tangible fixed assets

Group

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation					
At 1 November 2017	1,526,527	10,040,513	166,685	110,677	11,844,402
Additions	2,110,410	4,189,394	-	309,869	6,609,673
Disposals	-	(1,297,028)	-	(23,530)	(1,320,558)
At 31 October 2018	3,636,937	12,932,879	166,685	397,016	17,133,517
Depreciation					
At 1 November 2017	-	5,217,869	97,990	75,903	5,391,762
Charge for the year on owned assets	-	2,586,577	17,174	113,381	2,717,132
Disposals	-	(1,297,028)	-	(19,374)	(1,316,402)
At 31 October 2018	-	6,507,418	115,164	169,910	6,792,492
Net book value					
At 31 October 2018	3,636,937	6,425,461	51,521	227,106	10,341,025
At 31 October 2017	1,526,527	4,822,644	68,695	34,774	6,452,640

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

G K R LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

13. Fixed asset investments

Company

Investments in subsidiary companies £

Cost

At 1 November 2017 and 31 October 2018

1,800,336

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
G K R Scaffolding Limited	200 Tower Bridge Road, London, SE1 2UN	Ordinary	100%
Frindsbury Properties Limited	94a High Street, Sevenoaks, Kent, TN13 1LP	Ordinary	100%

The aggregate of the share capital and reserves as at 31 October 2018 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(Loss) £
G K R Scaffolding Limited	18,553,341	4,502,459
Frindsbury Properties Limited	1,801,856	190,054

14. Stocks

	Group 2018 £	Group 2017 £
Raw materials and consumables	725	3,350
	725	3,350

G K R LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

15. Debtors

	Group 2018 £	Group 2017 £
Trade debtors	8,659,720	7,499,756
Other debtors	216,172	490,036
Prepayments and accrued income	303,310	286,795
Deferred taxation	270,896	180,910
	<u>9,450,098</u>	<u>8,457,497</u>

16. Creditors: Amounts falling due within one year

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Bank loans	89,608	-	-	-
Trade creditors	1,453,824	2,172,462	-	-
Corporation tax	34,814	9,705	-	-
Other taxation and social security	1,221,617	795,306	-	-
Other creditors	248,634	238,439	5	-
Accruals and deferred income	708,244	403,169	-	-
	<u>3,756,741</u>	<u>3,619,081</u>	<u>5</u>	<u>-</u>

The following liabilities were secured:

	Group 2018 £	Group 2017 £
Bank loans	89,608	-
	<u>89,608</u>	<u>-</u>

Details of security provided:

Barclays bank holds a charge over the Group's properties at Independent House, Rochester and the ground floor, first floor and apartment at 200 Tower Bridge Road, London as security for the loan.

G K R LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

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

	Group 2018 £	Group 2017 £
Bank loans	1,387,061	-
	<u>1,387,061</u>	<u>-</u>

The following liabilities were secured:

	Group 2018 £	Group 2017 £
Bank loans	1,476,669	-
	<u>1,476,669</u>	<u>-</u>

Details of security provided:

Barclays bank holds a charge over the Group's properties at Independent House, Rochester and the ground floor, first floor and apartment at 200 Tower Bridge Road, London as security for the loan.

The bank loan is for a fixed term of five years, during which interest is fixed at 3.49% per annum.

18. Loans

	Group 2018 £	Group 2017 £
Amounts falling due within one year		
Bank loans	89,608	-
Amounts falling due 1-2 years		
Bank loans	82,478	-
Amounts falling due 2-5 years		
Bank loans	1,304,583	-
	<u>1,476,669</u>	<u>-</u>

G K R LOGISTICS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2018

19. Financial instruments

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Financial assets				
Financial assets that are debt instruments measured at amortised cost	<u>8,875,892</u>	<u>7,644,966</u>	<u>-</u>	<u>-</u>
Financial liabilities				
Financial liabilities measured at amortised cost	<u>(3,913,540)</u>	<u>(2,716,453)</u>	<u>(5)</u>	<u>-</u>

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.

20. Deferred taxation

Group

	2018 £	2017 £
At beginning of year	180,910	122,589
Charged to profit or loss	<u>89,986</u>	<u>58,321</u>
At end of year	<u>270,896</u>	<u>180,910</u>
	Group 2018 £	Group 2017 £
Accelerated capital allowances	<u>270,896</u>	<u>180,910</u>

G K R LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

21. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
222 (2017 -222) Ordinary Class A shares of £1.00 each	222	222
2 (2017 -2) Ordinary Class B shares of £1.00 each	2	2
	<u>224</u>	<u>224</u>

The Ordinary Class A shares have full voting, dividend and capital distribution rights. The Ordinary Class B shares have dividend rights only.

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 £1,322,021 (2017: £1,460,548)

22. Dividends

	2018 £	2017 £
Dividend - Ordinary Class A - £5,757 (2017: £6,363) per share	1,278,021	1,412,548
Dividend - Ordinary Class B - £22,000 (2017: £24,000) per share	44,000	48,000
	<u>1,322,021</u>	<u>1,460,548</u>

23. Reserves

Share Capital

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

Profit and loss account

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

24. 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 (2017: £14,808).

In addition, the Group's contributions to NEST in the year amounted to £148,476 (2017: £68,542). At the year end £38,920 (2017: £14,974) remained unpaid.

G K R LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

25. Commitments under operating leases

At 31 October 2018 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2018	Group 2017
	£	£
Not later than 1 year	330,940	261,764
Later than 1 year and not later than 5 years	617,299	497,965
Later than 5 years	248,000	-
	<u>1,196,239</u>	<u>759,729</u>

26. Related party transactions

During the year the Group was charged management charges of £430,000 (2017: £420,000) plus VAT and £nil (2017: £163) 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 £430,000 (2017: £420,163) in respect of these costs.

In addition, the Group paid expenses on behalf of the partnership totalling £65,520 (2017: £54,200) and received £31,151 (2017: £nil) in repayments. At the balance sheet date the Group was owed £85,569 (2017: £54,200) by the partnership and is included in other debtors in Note 15 of the accounts.

During the year the Group made a loan to G Rowswell of £nil (2017: £23,158). Repayments of £nil (2017: £73,158) were made. At the balance sheet date the Group was owed £nil (2017: £nil).

During the year the Group met expenditure on behalf of N Rowswell totalling £27,609 (2017: £122,174) and received £21,557 (2017: £120,438) in repayments. At the balance sheet date the Group was owed £18,956 (2017: £12,904) which is included in other debtors in Note 15 of these accounts.

During the year the Group met expenditure on behalf of L Rowswell totalling £5,911 (2017: £113,804), of which £6,417 (2017: £107,606) was repaid. At the balance sheet date the Group was owed £5,691 (2017: £6,198) which is included in other debtors in Note 15 of these accounts.

During the year, the Group made a loan to L Rowswell of £110,000 (2017: £nil). Repayments of £55,000 (2017: £nil) were made. At the balance sheet date the Group was owed £55,000 (2017: £nil).

27. Post balance sheet events

On 19 December 2018 the Group exchanged and completed on a property for £1.8m. On 4 April 2019 the Group exchanged and completed on a further property for £400,000.

28. Controlling party

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