

Registered number: 04164708

**G K R LOGISTICS LIMITED
AND ITS SUBSIDIARIES**

**DIRECTORS' REPORT AND FINANCIAL
STATEMENTS**

**FOR THE YEAR ENDED
31 OCTOBER 2021**

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G K R LOGISTICS LIMITED

COMPANY INFORMATION

Directors G Rowswell (resigned 22 June 2022)
L Rowswell
N Rowswell

Registered number 04164708

Registered office 94a High Street
Sevenoaks
Kent
TN13 1LP

Independent auditors Creaseys Group Limited
Brockbourne House
77 Mount Ephraim
Tunbridge Wells
Kent
TN4 8BS

Accountants Thain Osborne & Co
Chartered Accountants
94a High Stret
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 2021

Introduction

The directors present their Group strategic report and the financial statements for the year ended 31 October 2021.

Business review

In the year ended 31st October 2021, sales increased by 1%, which was an improvement on what had been predicted and is considered to be a sustainable basis. The year saw a rise in labour and distribution costs and the continuing disruption caused by the coronavirus. Gross profit margins reduced slightly and the Group made a profit after tax of £1,579,086 (2020 - £2,553,771). The balance sheet remains strong with £21.4m of net assets and £4,535,405 of cash at bank. The directors are satisfied with the results.

The revenue target for this financial year was maintained despite ongoing uncertainty in the market. Construction output saw a significant decline in 2020, and although it indicated an increase by the end of our financial reporting period, it did mean that we were operating within a volatile market for the 2020/2021 financial year.

Although the pipeline of work has been strong, it has been an unpredictable year with secured projects starting late and live project being delayed, committing labour and materials for longer than forecasted.

Purchase of new materials has been subject to significant price increases after the industry overcame most supply issues earlier in the year. With price volatility, especially for steel, expected to continue throughout the next reporting period, the business has put enhanced planning in place to optimise use of our own materials supply.

Supply of appropriately skilled labour has been an additional issue despite the business being directly unimpacted by Brexit. However, the supply in the market overall has inevitably been reduced, alongside the increase in the number of businesses hiring for high paid, short term contracts in the region, making the labour market more competitive.

COVID-19 Response

As the reporting period started, the industry was operating at almost full capacity, and GKR was only using the furlough scheme for those still required to shield.

GKR continued to operate under the Construction Site Operating Procedures, and was working with industry body, Build UK, to support and contribute to industry guidance.

The business was registered with the Government Workplace Collect Scheme to allow employees to easily access testing, and GKR introduced a testing policy to compliment the Management of COVID19 Policy already in place.

Employees were offered assistance in managing pay over isolation periods to ensure that those isolating for any reason were financially supported and encouraged to isolate.

Our Infection Response Plan meant that the business could quickly respond to cases, isolate close contacts and therefore minimise the disruption caused to business operations and the impact on employee health.

G K R LOGISTICS LIMITED

GROUP STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

Sustainability & Environment

GKR Logistics Ltd are committed to minimising their impact on the environment through continual investment in their Sustainability Programme. To further enhance this, GKR have partnered with EQUANS to develop a Zero Carbon Roadmap for their operations. GKR Logistics have a proven track record in sustainability, listed below are examples of the activities the Group has undertaken recently:

- Purchased 100% green electricity through Renewable Energy Guarantees of Origin (REGO).
- HVO fuel introduction: Converting from diesel to a low carbon alternative. This was undertaken in June 2021 in which has resulted in a 38% reduction in company fleet emissions compared to the 2020 SECR reporting year.
- Certification of Carbon Neutrality in June 2021.
- ISO 50001: internationally recognised standard that provides a practical way to improve energy efficiency through the development of an energy management system (EnMs).
- Procurement of lower thickness steel scaffold tubes (~18% lighter) therefore contributing to significant Scope 3 emission savings. Furthermore, GKR have procured re-used steel tubes, helping to eliminate emissions related to extraction of additional raw materials.
- The business is looking at the environmental impact of all its resources and supply chain activities which has included trialling of recycled workwear and recyclable sheeting, and management of waste.

Principal risks and uncertainties

Risks are defined as issues that affect the achievement of business objectives or the reputation of the Group. Regular review of risks and actions to address risks takes place at all levels of the Group.

Resource Management

The market continues to face a level of volatility due to the impact of the pandemic and Brexit on investor confidence and both the supply and cost of labour and materials.

Improvements in both forecasting and operational planning will enable the business to optimise use of existing assets to minimise purchase of new materials during peak price increases.

Additionally, as the business directly employs the majority of its workforce, a clear retention strategy is in place to reduce churn and maintain the skill levels required within the business. This enables GKR to provide high quality supervision and consistent teams for projects.

GKR has improved its in-house training provision under the GKR Academy and doubled the number of apprentices as its commitment to addressing the skills crisis.

Commercial risk

There is a commercial risk of non-payment of work and disputes arising from delays. However, GKR mainly work with Tier 1 contractors and have established good relationships with client commercial teams.

GKR's IMS System ensures that checks are carried out on all new clients including assessing credit risk and credit limits and a selective tendering process to filter our projects of higher commercial risk.

Health & Safety Risk

Health and Safety is a significant risk to the business with both a commercial and reputational impact. GKR's strong safety record is a distinguishing factor when clients choose to work with GKR, and increasingly the investment in mental health and general wellbeing support is being valued.

G K R LOGISTICS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2021

All staff have industry recognised qualifications and are trained to be safe and competent in their role. They are also trained above industry standard through in-house training programmes within the GKR Academy which includes Risk Aversion Training in Virtual Reality.

GKR has also renewed its Professional Indemnity insurance at a value required by contractors.

The market faces a level of volatility due to the impact of the pandemic and Brexit on investor confidence, and project start dates being delayed.

There is a commercial risk of non-payment of work and disputes arising from delays. However, GKR only work with Tier 1 contractors and have established good relationships with client commercial teams.

Thorough checks are carried out on all new clients including assessing credit risk and credit limits. GKR have a selective tendering process to filter our projects of higher commercial risk.

Health and Safety is a significant risk to the Group with both a commercial and reputational impact. GKR's strong safety record is a distinguishing factor when clients choose to work with GKR, and increasingly the investment in mental health and general wellbeing support is being valued.

All staff have industry recognised qualifications and are trained to be safe and competent in their role. They are also trained above industry standard through in-house training programmes within the GKR Academy which includes Risk Aversion Training in Virtual Reality.

GKR has also renewed its Professional Indemnity Insurance at a value required by contractors.

Future developments

During the Pandemic the construction Leadership Council published their Roadmap to Recovery to guide the industry back to pre-pandemic levels of productivity over the next 2 years.

GKR has responded to this by reshaping the business strategy around Catalyst for Change workstreams which will see the business invest in six key areas to drive business improvement. There are:

- Digital transformation
- Skills, training and succession planning
- Sustainability and Net Zero Carbon
- Occupational health, wellbeing and safety
- Productivity and lean management

Financial key performance indicators

Key performance indicators for the Group are turnover and gross margins which are regularly reported on and reviewed.

	2021	2020
	£	£
Turnover	26,085,103	25,767,823
Gross profit margin	38.2%	38.4%

G K R LOGISTICS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2021

Directors' statement of compliance with duty to promote the success of the Group

The directors, in line with their duties under Section 172 of the Companies Act 2006, act individually and collectively in the way they consider, in good faith, would be most likely to promote the success of the Group for the benefit of its members as a whole, and in doing so have regard to the stakeholders and amongst other matters, the:

- likely consequences of any decisions in the long-term;
- interests of the Group's employees;
- need to foster the Group's business relationships with suppliers, customers and others;
- impact of the Group's operations on the community and environment;
- desirability of the Group maintaining a reputation for high standards of business conduct; and
- need to act fairly as between members of the Group.

The Group's business strategy is focussed on achieving success for the Group in the long term. This strategy considers the impact of relevant factors and stakeholder interests. The directors promote a culture of upholding the highest standards of conduct and ensures its core values are communicated to its employees and are embedded in its policies and procedures.

The directors recognise that building strong long-term relationships with its stakeholders will help deliver its strategy. The directors consider the core stakeholders to be its employees, customers, suppliers and the local communities in which it operates.

Protecting the health, safety and wellbeing of its employees and everyone who comes into contact with the business is the main priority. Furthermore, the directors are committed to a diverse and inclusive working environment and ensuring all employees have the necessary skills and training required to carry out their roles and to develop.

The Group aims to develop long term mutually beneficial relationships with its customers. The Group engages with its customers on a continuous basis which allows it to better understand their needs thus ensuring its long-term success.

The suppliers and subcontractors are integral to its operations and the Group aims to be fair in their dealings with them and to make payment within agreed terms.

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



.....
L Rowsell
Director

Date: 21.7.22

G K R LOGISTICS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 OCTOBER 2021

The directors present their report and the financial statements for the year ended 31 October 2021.

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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 £1,579,086 (2020 - £2,553,771).

The directors paid an ordinary dividend of £7,323 (2020: £5,302) per ordinary 'A' share, an ordinary dividend of £33,152 (2020: £30,649) per ordinary 'B' share in the period, and an ordinary dividend of £71,956 (2020: £73,855) per 'ordinary 'C' share.

Directors

The directors who served during the year were:

G Rowswell (resigned 22 June 2022)

L Rowswell

N Rowswell

Future developments

Future developments are discussed in the Strategic Report.

G K R LOGISTICS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2021

Engagement with suppliers, customers and others

Clear and frequent communication has engaged employees during an unprecedented period of uncertainty.

During furlough, staff received regular email updates on the status of their site or office reopening, the latest Government guidance, and support for mental health, wellbeing and personal finances.

At work, staff are regularly kept up to date with ToolBox Talks which are used to share updates on guidance for working safely and other information that impacts their work.

COVID updates are circulated at least weekly, and Leadership Team Communications visits to sites are used to inform, get feedback and answer questions directly from staff.

In typical years, bi-annual Strategy Update meetings are used for the Directors to update the whole company on business developments. These have now moved online.

The GKR Integrated Management System is also used for sharing general company information.

Statement of business relationships:

GKR Scaffolding has strong existing relationship with Tier 1 contractors in London and the South East. The strength of these relationships enables GKR to engage at pre-tender stage for key projects in the pipeline.

Account management processes ensure that processes and conversion rates are reviewed, and the engagement plan is adapted accordingly.

Based on market and internal analysis, GKR has grown a number of new key client relationships in new sectors in order to broaden the revenue base.

GKR is also an active member of Build UK, working alongside clients to address industry change initiatives and represent the specialists in the supply chain.

G K R LOGISTICS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2021

Greenhouse gas emissions, energy consumption and energy efficiency action

GKR meet Streamlined Energy and Carbon Reporting (SECR) qualification criteria in the UK. GKR have opted to use the Operational Control boundary definition to define their carbon footprint boundary. Included within that boundary are Scope 1 & 2 emissions from gas and electricity, as well as Scope 3 emissions from company fleet and grey fleet in the UK. The GHG Protocol Corporate Accounting & Reporting Standard and UK Government's GHG Conversion Factors for Reporting have been used as part of carbon emissions calculation.

The results show that GKR's total energy use and total gross Greenhouse Gas (GHG) emissions amounted to 1,382,291kWh (2020: 1,308,090kWh) and 231 tonnes of CO₂e (2020: 312 tonnes of CO₂e) respectively in the reporting period. GKR have chosen 'Tonnes of CO₂e per million turnover' as an intensity metric as this is an appropriate metric for the business. The Group will compare their performance over time with this metric.

The Group's greenhouse gas emissions and energy consumption are as follows:

	2021	2020
Scope 1 emissions/tCO ₂ e	192	276
Scope 2 emissions (location-based)/tCO ₂ e	24	26
Total gross Scope 1 & Scope 2 emissions/tCO ₂ e	216	302
Total Energy Consumption used to calculate above emissions (kWh) (Scope 1 + 2)	1,318,927	1,265,771
Turnover (£m)	26.1	25.8
Intensity ratio: tCO ₂ e (gross Scope 1 + 2) / Turnover (£m)	8.8	12.1
Methodology is Tonnes of CO ₂ equivalent divided by Turnover in £m.		
Emissions from employee business travel for which the group does not own or control (grey fleet) (Scope 2)/tCO ₂ e	15	10
Total gross Scope 1, 2 & 3 emissions/tCO ₂ e (inc. grey fleet)	231	312
Energy consumption used to calculate above emissions: kWh (inc. grey fleet)	1,382,291	1,308,090

Energy Efficiency Actions

GKR are ISO 50001 accredited. As part of this accreditation, the Group has a robust and effective framework for improving energy efficiency. Continual improvement is paramount to GKR, with short, medium, and longer-term targets set as part of the retaining the Standard and their commitment to the environment.

During the reporting period, the Group has implemented a number of energy saving initiatives to reduce their associated emissions. These are discussed further in the Strategic Report under the heading Sustainability & Environment.

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.

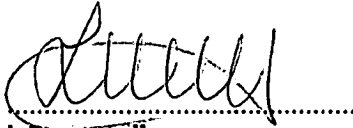
G K R LOGISTICS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2021

Post balance sheet events

On 22 June 2022, G K R Logistics Limited purchased 12 of its Ordinary A shares of £1.00 each for a total consideration of £2,700,000.

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



L Rowswell
Director

Date: 21.7.22

G K R LOGISTICS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS 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 2021, 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).

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 2021 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

G K R LOGISTICS LIMITED

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' report thereon. The directors are responsible for the other information contained within the Annual Report. 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. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 set out on page 5, 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.

G K R LOGISTICS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS 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 Group financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

We obtained an understanding of the legal and regulatory frameworks applicable to the Group and the industry in which it operates, and considered the risk of acts by the Group which were contrary to applicable laws and regulations, including fraud. These included, but were not limited to, compliance with FRS102 (UK GAAP), the Companies Act 2006 and relevant UK taxation laws. We discussed amongst the audit engagement team the identified laws and regulations, and remained alert to any indications of non-compliance.

We understood how the Group is complying with those legal and regulatory frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of Board minutes and supporting papers. We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included, but were not limited to:

- identifying and reviewing the controls in place to prevent and detect fraud;
- enquiries of management as to whether they have knowledge of any actual, suspected or alleged fraud;
- discussion amongst the engagement team regarding the risk of fraud, such as opportunities and incentives for fraudulent manipulation of the financial statements;
- understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
- challenging assumptions and judgements made by management in its significant accounting estimates and revenue recognition policy;
- identifying and testing journal entries, with a focus on manual journals and journals which indicated large or unusual transactions (based on our understanding of the business), and any journal entries posted with unusual timestamps; and
- assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the financial statement item.

The primary responsibility for the prevention and detection of irregularities, including fraud, rests with both those charged with governance and management. As with any audit, there remained a higher risk of nondetection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. There are inherent limitations in the audit procedures described above, and the more removed from the financial transactions, the less likely it is that we would become aware of noncompliance with laws and regulations. We are not responsible for prevention of non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

We did not identify any irregularities, including fraud, leading to a material misstatement.

G K R LOGISTICS LIMITED

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

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.

Creaseys Group Limited

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

for and on behalf of

Creaseys Group Limited

Brockbourne House
77 Mount Ephraim
Tunbridge Wells
Kent
TN4 8BS

Date: 25 July 2022

G K R LOGISTICS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 OCTOBER 2021

	Note	2021 £	2020 £
Turnover	4	26,085,103	25,767,823
Cost of sales		(16,124,391)	(15,865,210)
Gross profit		<u>9,960,712</u>	<u>9,902,613</u>
Distribution costs		(636,603)	(503,310)
Administrative expenses		(7,826,955)	(7,345,796)
Other operating income	5	57,582	1,171,143
Fair value movements		302,750	-
Operating profit	6	<u>1,857,486</u>	<u>3,224,650</u>
Interest receivable and similar income	10	20,027	15,526
Interest payable and similar expenses	11	(79,407)	(84,523)
Profit before tax		<u>1,798,106</u>	<u>3,155,653</u>
Tax on profit	12	(219,020)	(601,882)
Profit for the financial year		<u>1,579,086</u>	<u>2,553,771</u>
Profit for the year attributable to:			
Owners of the parent		<u>1,579,086</u>	<u>2,553,771</u>
		<u>1,579,086</u>	<u>2,553,771</u>

There were no recognised gains and losses for 2021 or 2020 other than those included in the consolidated profit and loss account.

The notes on pages 20 to 36 form part of these financial statements.

G K R LOGISTICS LIMITED
REGISTERED NUMBER:04164708
CONSOLIDATED BALANCE SHEET
AS AT 31 OCTOBER 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible fixed assets	13	9,366,595	9,052,866
Investment property	15	2,600,000	2,297,250
		<u>11,966,595</u>	<u>11,350,116</u>
Current assets			
Stocks	16	2,760	2,684
Debtors	17	10,499,450	7,938,795
Cash at bank and in hand		4,535,405	8,656,067
		<u>15,037,615</u>	<u>16,597,546</u>
Creditors: amounts falling due within one year	18	(2,923,630)	(3,473,899)
Net current assets		<u>12,113,985</u>	<u>13,123,647</u>
Total assets less current liabilities		<u>24,080,580</u>	<u>24,473,763</u>
Creditors: amounts falling due after more than one year	19	(2,632,703)	(2,841,157)
Net assets		<u><u>21,447,877</u></u>	<u><u>21,632,606</u></u>
Capital and reserves			
Called up share capital	23	225	225
Fair value reserve	25	152,063	-
Profit and loss account	25	21,295,589	21,632,381
		<u><u>21,447,877</u></u>	<u><u>21,632,606</u></u>

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


.....
L. Rowsell
Director

Date: 21.7.22

The notes on pages 20 to 36 form part of these financial statements.

G K R LOGISTICS LIMITED
REGISTERED NUMBER:04164708
COMPANY BALANCE SHEET
AS AT 31 OCTOBER 2021

	Note	2021 £	2020 £
Fixed assets			
Investments	14	1,800,336	1,800,336
Current assets			
Cash at bank and in hand	7	7	7
Creditors: amounts falling due within one year	18	(4)	(4)
Net current assets		3	3
Total assets less current liabilities		1,800,339	1,800,339
Net assets		1,800,339	1,800,339
Capital and reserves			
Called up share capital	23	225	225
Profit and loss account	25	1,800,114	1,800,114
		1,800,339	1,800,339

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 statement in these financial statements. The profit after tax of the parent company is £1,763,815 (2020: £1,312,276).

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



L Rowsell
Director

Date: 21.7.22

The notes on pages 20 to 36 form part of these financial statements.

G K R LOGISTICS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 OCTOBER 2021

	Called up share capital	Fair value reserve	Profit and loss account	Equity attributable to owners of parent Company	Total equity
	£	£	£	£	£
At 1 November 2019	224	-	20,390,886	20,391,110	20,391,110
Comprehensive income for the year					
Profit for the year	-	-	2,553,771	2,553,771	2,553,771
Contributions by and distributions to owners					
Dividends: Equity capital	-	-	(1,312,276)	(1,312,276)	(1,312,276)
Shares issued during the year	1	-	-	1	1
At 1 November 2020	225	-	21,632,381	21,632,606	21,632,606
Comprehensive income for the year					
Profit for the year	-	-	1,579,086	1,579,086	1,579,086
Contributions by and distributions to owners					
Dividends: Equity capital	-	-	(1,763,815)	(1,763,815)	(1,763,815)
Transfer between reserves	-	152,063	(152,063)	-	-
At 31 October 2021	225	152,063	21,295,589	21,447,877	21,447,877

The notes on pages 20 to 36 form part of these financial statements.

G K R LOGISTICS LIMITED**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 OCTOBER 2021**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 November 2019	224	1,800,114	1,800,338
Comprehensive income for the year			
Profit for the year	-	1,312,276	1,312,276
Contributions by and distributions to owners			
Dividends: Equity capital	-	(1,312,276)	(1,312,276)
Shares issued during the year	1	-	1
At 1 November 2020	225	1,800,114	1,800,339
Comprehensive income for the year			
Profit for the year	-	1,763,815	1,763,815
Contributions by and distributions to owners			
Dividends: Equity capital	-	(1,763,815)	(1,763,815)
At 31 October 2021	225	1,800,114	1,800,339

The notes on pages 20 to 36 form part of these financial statements.

G K R LOGISTICS LIMITED**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 OCTOBER 2021**

	2021	2020
	£	£
Cash flows from operating activities		
Profit for the financial year	1,579,086	2,553,771
Adjustments for:		
Depreciation of tangible assets	3,019,627	2,745,307
Loss on disposal of tangible assets	(185,101)	(166,036)
Government grants	-	(1,171,143)
Interest paid	79,407	84,523
Interest received	(20,027)	(15,526)
Taxation charge	219,020	601,882
(Increase) in stocks	(76)	(594)
(Increase)/decrease in debtors	(2,745,151)	2,323,660
(Decrease)/increase in creditors	(592,106)	96,429
Net fair value gains recognised in P&L	(302,750)	-
Corporation tax (paid)	(62,342)	(1,286,952)
Net cash generated from operating activities	989,587	5,765,321
Cash flows from investing activities		
Purchase of tangible fixed assets	(3,337,710)	(1,709,080)
Sale of tangible fixed assets	189,455	167,321
Purchase of unlisted and other investments	(5)	-
Government grants received	-	1,171,143
Interest received	20,027	15,526
Net cash from investing activities	(3,128,233)	(355,090)
Cash flows from financing activities		
Repayment of loans	(119,154)	(68,234)
Repayment of finance leases	(19,639)	(18,231)
Dividends paid	(1,763,815)	(1,312,276)
Interest paid	(79,407)	(84,523)
Net cash used in financing activities	(1,982,015)	(1,483,264)
Net (decrease)/increase in cash and cash equivalents	(4,120,661)	3,926,967
Cash and cash equivalents at beginning of year	8,656,067	4,729,100
Cash and cash equivalents at the end of year	4,535,406	8,656,067
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	4,535,406	8,656,067
	4,535,406	8,656,067

G K R LOGISTICS LIMITED

CONSOLIDATED ANALYSIS OF NET DEBT FOR THE YEAR ENDED 31 OCTOBER 2021

	At 1 November 2020 £	Cash flows £	At 31 October 2021 £
Cash at bank and in hand	8,656,067	(4,120,661)	4,535,406
Debt due after 1 year	(2,809,733)	187,767	(2,621,966)
Debt due within 1 year	(104,277)	(68,613)	(172,890)
Finance leases	(51,063)	19,639	(31,424)
	<u>5,690,994</u>	<u>(3,981,868)</u>	<u>1,709,126</u>

The notes on pages 20 to 36 form part of these financial statements.

G K R LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2021

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 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 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 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The directors continue to adopt the going concern basis of accounting in preparing the financial statements.

In arriving at this assumption, the directors have considered a number of factors. Firstly, the Group has traded profitably during the year despite the impact of the pandemic and restrictions across the industry. Post year-end the Group has continued to trade profitably and current forecasts, based on the pipeline of secured and potential projects, show the Group is expected to continue to trade profitably in the next 12 months and beyond. Further to this, the Group's balance sheet continues to show a positive net asset position and retains a strong level of working capital sufficient to support the ongoing business.

2.4 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 2021

2. Accounting policies (continued)

2.5 Tangible fixed assets and depreciation

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated 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

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.7 Operating leases: the Group as lessor

Rental income from operating leases is credited to profit or loss on a straight line basis over the lease term.

2.8 Operating leases

Rentals paid under operating leases are charged to profit or loss 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.

2.9 Government grants

Grants are accounted under the accruals model as permitted by FRS 102.

Grants of a revenue nature are recognised in the Consolidated profit and loss account in the same period as the related expenditure.

2.10 Interest income

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

G K R LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2021

2. Accounting policies (continued)

2.11 Stocks

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

2.12 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.

2.13 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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.

2.14 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.

2.15 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

G K R LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2021

2. Accounting policies (continued)

2.16 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.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated profit and loss account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

2.17 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.

One key area of estimates and judgements is that of the measurement and recognition of outstanding applications. The Group has control and review procedures in place to monitor and evaluate the estimates being made to ensure they are consistent and appropriate. This includes reviewing independent certification of work done, the progress of work against contracted timescales and the costs incurred against the budget.

G K R LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2021

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. Other operating income

	2021	2020
	£	£
Government grants receivable	57,582	1,171,143
	<u>57,582</u>	<u>1,171,143</u>

6. Operating profit

The operating profit is stated after charging:

	2021	2020
	£	£
Depreciation of tangible fixed assets	3,019,626	2,745,307
Auditors remuneration	27,525	22,350
Other operating lease rentals	110,110	137,025
Profit on sale of tangible fixed assets	(185,101)	(166,036)
	<u>3,072,160</u>	<u>3,738,646</u>

7. Auditors' remuneration

	2021	2020
	£	£
Fees payable to the Group's auditor for the audit of the Group's annual financial statements	27,525	22,350
	<u>27,525</u>	<u>22,350</u>

G K R LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2021

8. Employees

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

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Wages and salaries	11,458,058	11,817,132	-	-
Social security costs	1,278,458	1,343,555	-	-
Cost of defined contribution scheme	229,790	250,040	-	-
	<u>12,966,306</u>	<u>13,410,727</u>	<u>-</u>	<u>-</u>

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

	Group 2021 No.	Group 2020 No.	Company 2021 No.	Company 2020 No.
Administration	29	30	3	3
Scaffolders and Drivers	217	243	-	-
	<u>246</u>	<u>273</u>	<u>3</u>	<u>3</u>

9. Directors' remuneration

The highest paid director received remuneration of £121,604 (2020 - £149,917).

10. Interest receivable

	2021 £	2020 £
Other interest receivable	<u>20,027</u>	<u>15,526</u>

11. Interest payable and similar expenses

	2021 £	2020 £
Mortgage interest payable	79,199	84,318
Other interest payable	208	205
	<u>79,407</u>	<u>84,523</u>

G K R LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2021

12. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on profits for the year	(56,163)	653,391
Adjustments in respect of previous periods	(36,328)	(19,581)
Total current tax	<u>(92,491)</u>	<u>633,810</u>
Deferred tax		
Origination and reversal of timing differences	311,511	(31,928)
Taxation on profit on ordinary activities	<u>219,020</u>	<u>601,882</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2020 - higher than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
Profit on ordinary activities before tax	<u>1,798,106</u>	<u>3,155,653</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	341,640	599,574
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	29,443	573,954
Capital allowances for year in excess of depreciation	(90,313)	(487,280)
Adjustments to tax charge in respect of prior periods	(36,328)	(19,581)
Deferred tax adjustments	-	(31,928)
Other timing differences leading to an increase (decrease) in taxation	12,165	-
Non-taxable income	(37,587)	(32,857)
Total tax charge for the year	<u>219,020</u>	<u>601,882</u>

G K R LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2021

13. Tangible fixed assets

Group

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Office equipment £
Cost or valuation					
At 1 November 2020	3,636,937	13,287,837	214,369	256,214	150,441
Additions	-	3,303,079	1,400	8,452	24,779
Disposals	-	(1,848,809)	(18,350)	-	-
At 31 October 2021	3,636,937	14,742,107	197,419	264,666	175,220
Depreciation					
At 1 November 2020	-	8,076,120	135,716	180,142	100,954
Charge for the year on owned assets	-	2,948,421	6,678	28,169	24,731
Charge for the year on financed assets	-	-	11,628	-	-
Disposals	-	(1,848,809)	(13,996)	-	-
At 31 October 2021	-	9,175,732	140,026	208,311	125,685
Net book value					
At 31 October 2021	3,636,937	5,566,375	57,393	56,355	49,535
At 31 October 2020	3,636,937	5,211,717	78,653	76,072	49,487

G K R LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2021

13. Tangible fixed assets (continued)

	Total £
Cost or valuation	
At 1 November 2020	17,545,798
Additions	3,337,710
Disposals	(1,867,159)
At 31 October 2021	<u>19,016,349</u>
Depreciation	
At 1 November 2020	8,492,932
Charge for the year on owned assets	3,007,999
Charge for the year on financed assets	11,628
Disposals	(1,862,805)
At 31 October 2021	<u>9,649,754</u>
Net book value	
At 31 October 2021	<u><u>9,366,595</u></u>
At 31 October 2020	<u><u>9,052,866</u></u>

The net book value of land and buildings may be further analysed as follows:

	2021 £	2020 £
Freehold	<u>3,636,937</u>	<u>3,636,937</u>

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

	2021 £	2020 £
Motor vehicles	<u>34,885</u>	<u>46,513</u>

G K R LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2021

14. Fixed asset investments

Company

Investments in subsidiary companies £

Cost

At 1 November 2020 and 31 October 2021

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%

15. Investment property

Group

Freehold investment property £

Valuation

At 1 November 2020

2,297,250

Surplus on revaluation

302,750

At 31 October 2021

2,600,000

The 2021 valuations were made by the directors, on an open market value for existing use basis.

If the Investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	2021 £	2020 £
Historic cost	2,397,250	2,397,250

G K R LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2021

16. Stocks

	Group 2021	Group 2020
	£	£
Raw materials and consumables	2,760	2,684

17. Debtors

	Group 2021	Group 2020
	£	£
Due after more than one year		
Other debtors	130,000	-
Due within one year		
Trade debtors	6,158,455	5,714,436
Other debtors	2,256,296	131,792
Prepayments and accrued income	423,013	389,106
Tax recoverable	1,484,855	1,345,119
Deferred taxation	46,831	358,342
	10,499,450	7,938,795

G K R LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2021

18. Creditors: Amounts falling due within one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Bank loans	172,886	104,273	-	-
Trade creditors	1,649,498	813,873	-	-
Corporation tax	34,519	62,342	-	-
Other taxation and social security	435,575	1,916,268	-	-
Obligations under finance lease and hire purchase contracts	20,687	19,639	-	-
Other creditors	208,480	253,254	4	4
Accruals and deferred income	401,985	304,250	-	-
	<u>2,923,630</u>	<u>3,473,899</u>	<u>4</u>	<u>4</u>

The following liabilities were secured:

	Group 2021 £	Group 2020 £
Bank loans	<u>172,886</u>	<u>104,273</u>

Details of security provided:

Barclays Bank plc 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 2021

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

	Group 2021	Group 2020
	£	£
Bank loans	2,621,966	2,809,733
Net obligations under finance leases and hire purchase contracts	10,737	31,424
	<u>2,632,703</u>	<u>2,841,157</u>

The following liabilities were secured:

	Group 2021	Group 2020
	£	£
Bank loans	<u>2,621,966</u>	<u>2,809,733</u>

Details of security provided:

Barclays Bank plc 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.

20. Loans

	Group 2021	Group 2020
	£	£
Amounts falling due within one year		
Bank loans	172,886	104,273
Amounts falling due 1-2 years		
Bank loans	1,240,668	1,323,625
Amounts falling due 2-5 years		
Bank loans	1,381,298	1,486,108
	<u>2,794,852</u>	<u>2,914,006</u>

Details of security provided:

Barclays Bank plc 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 2021

21. Financial instruments

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Financial assets				
Financial assets measured at fair value through profit or loss	2,600,000	2,297,250	-	-
Financial assets that are debt instruments measured at amortised cost	10,029,613	7,191,347	7	7
Financial assets that are equity instruments measured at cost less impairment	5	-	1,800,336	1,800,336
	<u>12,629,618</u>	<u>9,488,597</u>	<u>1,800,343</u>	<u>1,800,343</u>
Financial liabilities				
Financial liabilities measured at amortised cost	<u>(5,143,611)</u>	<u>(5,979,381)</u>	<u>(4)</u>	<u>(4)</u>

Financial assets measured at fair value through profit or loss comprise investment properties.

Financial assets that are debt instruments measured at amortised cost comprise trade debtors and other debtors.

Financial assets that are equity instruments measured at cost less impairment comprise investments in subsidiaries and unlisted investments.

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

22. Deferred taxation

Group

	2021 £	2020 £
At beginning of year	358,342	326,414
Charged to profit or loss	(311,511)	31,928
At end of year	<u>46,831</u>	<u>358,342</u>
	Group 2021 £	Group 2020 £
Accelerated capital allowances	97,518	358,342
Unrealised gains on investment properties	(50,687)	-
	<u>46,831</u>	<u>358,342</u>

G K R LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2021

23. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
222 (2020 - 222) Ordinary A shares of £1.00 each	222	222
2 (2020 - 2) Ordinary B shares of £1.00 each	2	2
1 (2020 - 1) Ordinary C share of £1.00	1	1
	<u>225</u>	<u>225</u>

The Ordinary Class A shares have full voting, dividend and capital distribution rights. The Ordinary Class B and C 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 £1,763,815 (2020: £1,312,276)

24. Dividends

	2021 £	2020 £
Dividend - Ordinary Class A - £7,322 (2020: £5,302) per share	1,625,556	1,177,124
Dividend - Ordinary Class B - £33,152 (2020: £30,648) per share	66,303	61,297
Dividend - Ordinary Class C - £71,956 (2020: £73,855) per share	71,956	73,855
	<u>1,763,815</u>	<u>1,312,276</u>

25. Reserves

Fair value reserve

The cumulative revaluations gains and losses in respect of investment properties.

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.

G K R LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2021

26. Contingent liabilities

Barclays Bank plc holds cross-guarantees in respect of all accounts held in the names of the companies within the Group, and has the right to the set-off of debit and credit balances on all accounts. The amounts owed by group companies under this guarantee at 31 October 2021 amounted to £nil (2020: £nil) in respect of overdrafts.

27. Pension commitments

The Group operates a defined contributions pension scheme for three (2020: 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 £20,498 (2020: £14,808).

In addition, the Group's contributions to NEST in the year amounted to £209,292 (2020: £235,232). At the year end £53,793 (2020: £57,998) remained unpaid and this amount is included within creditors.

28. Commitments under operating leases

At 31 October 2021 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2021	Group 2020
	£	£
Payments		
Not later than 1 year	285,792	231,376
Later than 1 year and not later than 5 years	706,885	341,392
Later than 5 years	77,500	124,000
	<u>1,070,177</u>	<u>696,768</u>
	Group 2021	Group 2020
	£	£
Receipts		
Not later than 1 year	45,000	48,000
Later than 1 year and not later than 5 years	150,000	68,000
	<u>195,000</u>	<u>116,000</u>

G K R LOGISTICS LIMITED

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29. Related party transactions

During the year the Group was charged management charges of £484,000 (2020: £385,000) plus VAT by G K & Y Rowswell Partnership, a partnership in which all the directors of the company are partners. During the year the Group paid £484,000 (2020: £385,000) in respect of these costs.

In addition, the Group paid expenses on behalf of the partnership totalling £25,750 (2020: £21,292) and received £30,957 (2020: £13,820) in repayments. At the balance sheet date the Group was owed £92,749 (2020: £97,956) by the partnership and is included in other debtors.

Key management personnel compensation was £996,729 (2020: £1,005,301) in total.

30. Transactions with directors

In the current year, included within other debtors, are loans to the directors of the Group. The loans are repayable on demand. The movements during the year were as follows:

	Directors' loans £
Balance brought forward at 1 November 2019	22,884
Amounts advanced	33,402
Amounts repaid	(40,550)
Balance carried forward at 31 October 2020	15,736
Balance brought forward at 1 November 2020	15,736
Amounts advanced	1,542,511
Amounts repaid	(35,899)
Balance carried forward at 31 October 2021	1,522,348

31. Post balance sheet events

On 22 June 2022, G K R Logistics Limited purchased 12 of its Ordinary A shares of £1.00 each for a total consideration of £2,700,000.

32. Controlling party

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