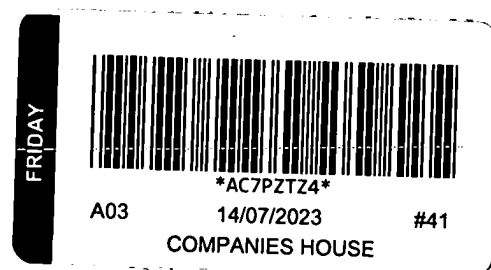


Registered number: 04164708

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

**DIRECTORS' REPORT AND FINANCIAL
STATEMENTS**

**FOR THE YEAR ENDED
31 OCTOBER 2022**



G K R LOGISTICS LIMITED

COMPANY INFORMATION

Directors

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 2022

Introduction

The directors present their Group strategic report and the financial statements for the year ended 31 October 2022.

Business review

In the year ended 31st October 2022, sales increased by 1%, but there was a slight improvement in the gross profit percentage and is considered to be a sustainable basis. The year saw a rise in distribution costs caused by the general inflationary pressures effecting the UK economy. The Group made a profit after tax of £1,037,864 (2021 - £1,579,086). The balance sheet remains strong with £18,273,339 of net assets and £3,628,344 of cash at bank. The directors are satisfied with the results.

The revenue target for this financial year was maintained with the annual output in Construction in the UK seeing an increase in 2022 compared with 2021. The construction output for the UK is forecasted to fall slightly in 2023 following the slight increase in 2022, however GKR's pipeline is strong in 2023.

Distribution costs increased in the reporting period from £636,603 to £696,061 with increased costs of HVO fuelling the fleet and completion of the fleet renewal to 5 Star Direct Vision Scania L Cab Series Articulated and De-mountable Rigid vehicles, both serving to reduce emissions and keep London streets safer.

Purchase of new materials remains to be higher than pre covid/Brexit. This is to be 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 continues to be an 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.

Sustainability & Environment

GKR Logistics Ltd remain committed to minimising their impact on the environment through continual investment in their Sustainability Programme and during this financial year have maintained Carbon Neutrality as reported in July 2022. To further enhance this, GKR have partnered with EQUANS to measure SCOPE 3 emissions for their operations. Science based targets will be set in next year 2023.

Listed below are examples of the activities the company has undertaken recently:

- Introduction of Electric Forklifts to lower Scope 1 emissions further.
- Purchased 100% green electricity through Renewable Energy Guarantees of Origin (REGO).
- Certification of Carbon Neutrality renewed in July 2022
- 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.
- Recycled workwear and PPE items now being used across the business.

G K R LOGISTICS LIMITED

GROUP STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2022

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

Improvements in both forecasting and operational planning now in place 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.

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.

The Group 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.

The Group 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. These are:

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

G K R LOGISTICS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2022

Financial key performance indicators

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

	2022 £	2021 £
Turnover	25,917,132	26,085,103
Gross profit margin	39.1%	38.2%

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.

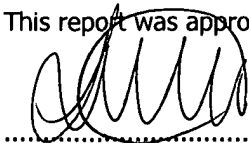
The directors recognise that building strong long-term relationships with its stakeholders will help deliver its strategy. The directors consider the core stakeholders to be its employees, customers, suppliers and the local communities in which it operates.

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 Rowswell
Director

Date: 6 July 2023

G K R LOGISTICS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 OCTOBER 2022

The directors present their report and the financial statements for the year ended 31 October 2022.

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 £1,037,864 (2021 - £1,579,086).

Dividends totalling £1,512,402 (2021: £1,763,815) have been paid during the year.

Directors

The directors who served during the year were:

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

Future developments

Future developments are discussed in the Strategic Report.

G K R LOGISTICS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2022

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 2022

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 1,703,077kWh (2021: 1,382,291kWh) and 114 tonnes of CO₂e (2021: 231 tonnes of CO₂e) respectively in the reporting period. GKR have chosen 'Tonnes of CO₂e per £000's 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. Within the year, GKR purchased 100% green electricity backed by REGO's. As a result, GKR's Gross (Market-based) Emissions dropped by 117 Tonnes of CO₂e.

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

	2022	2021
Scope 1 emissions/tCO ₂ e	91	192
Scope 2 emissions (location-based)/tCO ₂ e	22	24
Total gross Scope 1 & Scope 2 emissions/tCO ₂ e	113	216
Total Energy Consumption used to calculate above emissions (kWh) (Scope 1 + 2)	1,695,456	1,318,927
Turnover (£m)	25.9	26.1
Intensity ratio: tCO ₂ e (gross Scope 1 + 2) / Turnover (£m)	4.4	8.8
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	2.1	15
Total gross Scope 1, 2 & 3 emissions/tCO ₂ e (inc. grey fleet)	114.1	231
Energy consumption used to calculate above emissions: kWh (inc. grey fleet)	1,703,077	1,382,291

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

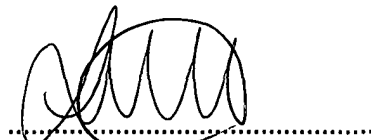
DIRECTORS' REPORT (CONTINUED) **FOR THE YEAR ENDED 31 OCTOBER 2022**

Post balance sheet events

On 22 December 2022, the Group invested £250,000 in St Johns Partners Limited by way of acquired share capital and a loan accruing interest at 15% per annum.

On 2 May 2023, the Group settled in full one of the bank loans, which had a balance of £1,127,005 at the year-end. The bank loan was settled by way of finance raised from within the Group.

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



L Rowsell
Director

Date: 6 July 2023

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 2022, 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 2022 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 4, 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:

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 dates; 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.

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.

G K R LOGISTICS LIMITED

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

Use of our report

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

Creaseys Group Limited

Jeff Fletcher BA (Hons) FCCA (Senior statutory auditor)

for and on behalf of

Creaseys Group Limited

Brockbourne House
77 Mount Ephraim
Tunbridge Wells
Kent
TN4 8BS

Date: 12 July 2023

G K R LOGISTICS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 OCTOBER 2022

	Note	2022 £	2021 £
Turnover	4	25,917,132	26,085,103
Cost of sales		(15,795,084)	(16,124,391)
Gross profit		10,122,048	9,960,712
Distribution costs		(696,061)	(636,603)
Administrative expenses		(8,071,325)	(7,826,955)
Other operating income	5	16,545	57,582
Fair value movements		(550,000)	302,750
Operating profit	6	821,207	1,857,486
Income from other participating interests		110,275	-
Interest receivable and similar income	10	43,289	20,027
Interest payable and similar expenses	11	(86,176)	(79,407)
Profit before tax		888,595	1,798,106
Tax on profit	12	149,269	(219,020)
Profit for the financial year		1,037,864	1,579,086
Profit for the year attributable to:			
Owners of the parent		1,037,864	1,579,086

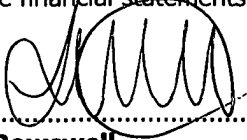
There were no recognised gains and losses for 2022 or 2021 other than those included in the consolidated profit and loss account.

The notes on pages 19 to 37 form part of these financial statements.

G K R LOGISTICS LIMITED
REGISTERED NUMBER:04164708
CONSOLIDATED BALANCE SHEET
AS AT 31 OCTOBER 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	13	8,797,705	9,366,595
Investment property	15	2,050,000	2,600,000
		<u>10,847,705</u>	<u>11,966,595</u>
Current assets			
Stocks	16	15,904	2,760
Debtors	17	8,492,942	10,499,450
Cash at bank and in hand		3,628,344	4,535,405
		<u>12,137,190</u>	<u>15,037,615</u>
Creditors: amounts falling due within one year	18	(3,433,884)	(2,923,630)
Net current assets		<u>8,703,306</u>	<u>12,113,985</u>
Total assets less current liabilities		<u>19,551,011</u>	<u>24,080,580</u>
Creditors: amounts falling due after more than one year	19	(1,277,672)	(2,632,703)
Net assets		<u><u>18,273,339</u></u>	<u><u>21,447,877</u></u>
Capital and reserves			
Called up share capital	24	213	225
Fair value reserve	26	-	152,063
Profit and loss account	26	18,273,126	21,295,589
		<u><u>18,273,339</u></u>	<u><u>21,447,877</u></u>

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


.....
L Rowswell
Director

Date: 6 July 2023

The notes on pages 19 to 37 form part of these financial statements.

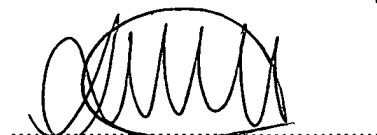
G K R LOGISTICS LIMITED
REGISTERED NUMBER:04164708

COMPANY BALANCE SHEET
AS AT 31 OCTOBER 2022

	Note	2022 £	2021 £
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	24	213	225
Profit and loss account	26	1,800,126	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 £4,212,402 (2021: £1,763,815).

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



L Rowsell
Director

Date: 6 July 2023

The notes on pages 19 to 37 form part of these financial statements.

G K R LOGISTICS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 OCTOBER 2022

	Called up share capital £	Fair value reserve £	Profit and loss account £	Equity attributable to owners of parent Company £	Total equity £
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 1 November 2021	225	152,063	21,295,589	21,447,877	21,447,877
Comprehensive income for the year					
Profit for the year	-	-	1,037,864	1,037,864	1,037,864
Contributions by and distributions to owners					
Dividends: Equity capital	-	-	(1,512,402)	(1,512,402)	(1,512,402)
Purchase of own shares	-	-	(2,699,988)	(2,699,988)	(2,699,988)
Shares cancelled during the year	(12)	-	-	(12)	(12)
Transfer between reserves	-	(152,063)	152,063	-	-
At 31 October 2022	213	-	18,273,126	18,273,339	18,273,339

The notes on pages 19 to 37 form part of these financial statements.

G K R LOGISTICS LIMITED**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 OCTOBER 2022**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
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 1 November 2021	225	1,800,114	1,800,339
Comprehensive income for the year			
Profit for the year	-	4,212,402	4,212,402
Contributions by and distributions to owners			
Dividends: Equity capital	-	(1,512,402)	(1,512,402)
Purchase of own shares	-	(2,699,988)	(2,699,988)
Shares cancelled during the year	(12)	-	(12)
At 31 October 2022	213	1,800,126	1,800,339

The notes on pages 19 to 37 form part of these financial statements.

G K R LOGISTICS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 OCTOBER 2022

	2022 £	2021 £
Cash flows from operating activities		
Profit for the financial year	1,037,864	1,579,086
Adjustments for:		
Depreciation of tangible assets	2,979,265	3,019,627
Loss on disposal of tangible assets	(261,694)	(185,101)
Interest paid	86,176	79,407
Interest received	(43,289)	(20,027)
Taxation charge	(149,269)	219,020
(Increase) in stocks	(13,144)	(76)
Decrease/(increase) in debtors	735,051	(2,745,151)
(Decrease) in creditors	(671,018)	(592,106)
Net fair value losses/(gains) recognised in P&L	550,000	(302,750)
Corporation tax (paid)/received	1,463,888	(62,342)
Net cash generated from operating activities	5,713,830	989,587
Cash flows from investing activities		
Purchase of tangible fixed assets	(2,410,376)	(3,337,710)
Sale of tangible fixed assets	261,694	189,455
Interest received	43,289	20,027
Purchase of unlisted and other investments	(2)	(5)
Net cash from investing activities	(2,105,395)	(3,128,233)
Cash flows from financing activities		
Repayment of loans	(196,232)	(119,154)
Repayment of finance leases	(20,687)	(19,639)
Dividends paid	(1,512,402)	(1,763,815)
Interest paid	(86,176)	(79,407)
Purchase of own shares	(2,700,000)	-
Net cash used in financing activities	(4,515,497)	(1,982,015)
Net (decrease) in cash and cash equivalents	(907,062)	(4,120,661)
Cash and cash equivalents at beginning of year	4,535,406	8,656,067
Cash and cash equivalents at the end of year	3,628,344	4,535,406
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	3,628,344	4,535,406

The notes on pages 19 to 37 form part of these financial statements.

G K R LOGISTICS LIMITED

CONSOLIDATED ANALYSIS OF NET DEBT FOR THE YEAR ENDED 31 OCTOBER 2022

	At 1 November 2021 £	Cash flows £	At 31 October 2022 £
Cash at bank and in hand	4,535,406	(907,062)	3,628,344
Debt due after 1 year	(2,621,966)	1,344,294	(1,277,672)
Debt due within 1 year	(172,890)	(1,148,062)	(1,320,952)
Finance leases	(31,424)	20,687	(10,737)
	<u>1,709,126</u>	<u>(690,143)</u>	<u>1,018,983</u>

The notes on pages 19 to 37 form part of these financial statements.

G K R LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2022

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.

G K R LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2022

2. Accounting policies (continued)

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. The following criteria must also be met before revenue is recognised:

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Turnover comprises revenue recognised by the Group in respect of services relating to the stage of completion of the erection and dismantling of scaffolding.

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:

Freehold property	-	2% straight line
Plant and machinery	-	20% straight line
Motor vehicles	-	25% reducing balance
Fixtures and fittings	-	33% reducing balance

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.

G K R LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2022

2. Accounting policies (continued)

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.

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.

G K R LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2022

2. Accounting policies (continued)

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 Investment property

Investment property is carried at fair value determined annually by the Directors' and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the profit and loss account.

2.16 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 2022

2. Accounting policies (continued)

2.17 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, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

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.

2.18 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.

G K R LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2022

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 Company has control and review procedures in place to monitor and evaluate the estimates being made to ensure they are consistent and appropriate. This includes the measurement and recognition of WIP and accrued income in accordance to the stage of completion of a job. The Company has control and review procedures in place to monitor and evaluate the estimates being made to ensure that 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.

Another key area of estimates and judgements is the valuation of the investment property which is carried at fair value determined annually by the Directors' and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset.

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

	2022 £	2021 £
Government grants receivable	16,545	57,582

6. Operating profit

The operating profit is stated after charging:

	2022 £	2021 £
Depreciation of tangible fixed assets	2,906,527	3,019,626
Auditors remuneration	42,000	27,525
Other operating lease rentals	167,354	110,110
Profit on sale of tangible fixed assets	(261,694)	(185,101)

G K R LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2022

7. Auditors' remuneration

	2022 £	2021 £
Fees payable to the Group's auditors for the audit of the Group's annual financial statements	20,750	27,525
Fees payable to the Group's auditors for non audit services	16,350	-
	<u>42,850</u>	<u>27,525</u>

8. Employees

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

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Wages and salaries	10,702,902	11,458,058	-	-
Social security costs	1,262,295	1,278,458	-	-
Cost of defined contribution scheme	216,676	229,790	-	-
	<u>12,181,873</u>	<u>12,966,306</u>	<u>-</u>	<u>-</u>

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

	Group 2022 No.	Group 2021 No.	Company 2022 No.	Company 2021 No.
Administration	30	29	3	3
Scaffolders and Drivers	188	217	-	-
	<u>218</u>	<u>246</u>	<u>3</u>	<u>3</u>

9. Directors' remuneration

The highest paid director received remuneration of £195,876 (2021 - £121,604).

10. Interest receivable

	2022 £	2021 £
Other interest receivable	<u>43,289</u>	<u>20,027</u>

G K R LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2022

11. Interest payable and similar expenses

	2022 £	2021 £
Mortgage interest payable	86,176	79,199
Other interest payable	-	208
	<u>86,176</u>	<u>79,407</u>

12. Taxation

	2022 £	2021 £
Corporation tax		
Current tax on profits for the year	84,467	(56,163)
Adjustments in respect of previous periods	(20,338)	(36,328)
Total current tax	<u>64,129</u>	<u>(92,491)</u>
Deferred tax		
Origination and reversal of timing differences	(213,398)	311,511
Taxation on (loss)/profit on ordinary activities	<u>(149,269)</u>	<u>219,020</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2021 - lower than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Profit on ordinary activities before tax	<u>888,595</u>	<u>1,798,106</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	168,833	341,640
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	61,119	29,443
Deferred tax	(307,459)	(78,148)
Adjustments to tax charge in respect of prior periods	(20,338)	(36,328)
Non-taxable income	(51,424)	(37,587)
Total tax charge for the year	<u>(149,269)</u>	<u>219,020</u>

From 1 April 2023, the standard rate of corporation tax in the UK has increased to 25%.

G K R LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2022

13. Tangible fixed assets

Group

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Office equipment £
Cost or valuation					
At 1 November 2021	3,636,937	14,742,107	197,419	264,666	175,220
Additions	-	2,298,808	82,110	17,959	11,499
Disposals	-	(2,879,785)	-	-	-
At 31 October 2022	3,636,937	14,161,130	279,529	282,625	186,719
Depreciation					
At 1 November 2021	-	9,175,732	140,026	208,311	125,685
Charge for the year on owned assets	72,739	2,832,226	20,509	24,747	20,324
Charge for the year on financed assets	-	-	8,721	-	-
Disposals	-	(2,879,785)	-	-	-
At 31 October 2022	72,739	9,128,173	169,256	233,058	146,009
Net book value					
At 31 October 2022	3,564,198	5,032,957	110,273	49,567	40,710
At 31 October 2021	3,636,937	5,566,375	57,393	56,355	49,535

G K R LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2022

13. Tangible fixed assets (continued)

	Total £
Cost or valuation	
At 1 November 2021	19,016,349
Additions	2,410,376
Disposals	(2,879,785)
At 31 October 2022	<u>18,546,940</u>
Depreciation	
At 1 November 2021	9,649,754
Charge for the year on owned assets	2,970,545
Charge for the year on financed assets	8,721
Disposals	(2,879,785)
At 31 October 2022	<u>9,749,235</u>
Net book value	
At 31 October 2022	<u><u>8,797,705</u></u>
At 31 October 2021	<u><u>9,366,595</u></u>

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

	2022 £	2021 £
Freehold	<u>3,564,198</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:

	2022 £	2021 £
Motor vehicles	<u>26,164</u>	<u>34,885</u>

G K R LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2022

14. Fixed asset investments

Company

Investments in subsidiary companies £

Cost

At 1 November 2021 and 31 October 2022

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 2021

2,600,000

Fair value movement

(550,000)

At 31 October 2022

2,050,000

The 2022 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:

	2022 £	2021 £
Historic cost	2,397,250	2,397,250

G K R LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2022

16. Stocks

	Group 2022	Group 2021
	£	£
Raw materials and consumables	15,904	2,760

17. Debtors

	Group 2022	Group 2021
	£	£
Due after more than one year		
Other debtors	149,999	130,000
	149,999	130,000
Due within one year		
Trade debtors	7,330,382	6,158,455
Other debtors	279,691	2,256,296
Prepayments and accrued income	456,029	423,013
Tax recoverable	16,612	1,484,855
Deferred taxation	260,229	46,831
	8,492,942	10,499,450

G K R LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2022

18. Creditors: Amounts falling due within one year

	Group 2022	Group 2021	Company 2022	Company 2021
	£	£	£	£
Bank loans	1,320,948	172,886	-	-
Trade creditors	1,031,165	1,649,498	-	-
Corporation tax	77,679	34,519	-	-
Other taxation and social security	443,103	435,575	-	-
Obligations under finance lease and hire purchase contracts	10,737	20,687	-	-
Other creditors	201,010	208,480	4	4
Accruals and deferred income	349,242	401,985	-	-
	<u>3,433,884</u>	<u>2,923,630</u>	<u>4</u>	<u>4</u>

A bank loan of £1,127,005 was repaid post year-end, and included within current liabilities at the balance sheet date. The loan was settled by way of an intra company loan.

The following liabilities were secured:

	Group 2022	Group 2021
	£	£
Bank loans	<u>1,320,948</u>	<u>172,886</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 2022

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

	Group 2022	Group 2021
	£	£
Bank loans	1,277,672	2,621,966
Net obligations under finance leases and hire purchase contracts	-	10,737
	<u>1,277,672</u>	<u>2,632,703</u>

The following liabilities were secured:

	Group 2022	Group 2021
	£	£
Bank loans	<u>1,277,672</u>	<u>2,621,966</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.

A bank loan of £1,127,005 was repaid post year-end, and included within current liabilities at the balance sheet date. The loan was settled by way of an intra company loan.

20. Loans

	Group 2022	Group 2021
	£	£
Amounts falling due within one year		
Bank loans	1,320,948	172,886
Amounts falling due 1-2 years		
Bank loans	1,277,672	1,240,668
Amounts falling due 2-5 years		
Bank loans	-	1,381,298
	<u>2,598,620</u>	<u>2,794,852</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 2022

21. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2022 £	Group 2021 £
Within one year	10,737	20,687
Between 1-5 years	-	10,737
	<u>10,737</u>	<u>31,424</u>

22. Financial instruments

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Financial assets				
Financial assets measured at fair value through profit or loss	2,050,000	2,600,000	-	-
Financial assets that are debt instruments measured at amortised cost	8,015,826	10,029,613	7	7
Financial assets that are equity instruments measured at cost less impairment	7	5	1,800,336	1,800,336
	<u>10,065,833</u>	<u>12,629,618</u>	<u>1,800,343</u>	<u>1,800,343</u>
Financial liabilities				
Financial liabilities measured at amortised cost	<u>(4,362,314)</u>	<u>(5,143,611)</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.

G K R LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2022

23. Deferred taxation

Group

	2022 £	2021 £
At beginning of year	46,831	358,342
Charged to profit or loss	420,287	-
Utilised in year	(206,889)	(311,511)
At end of year	260,229	46,831

	Group 2022 £	Group 2021 £
Accelerated capital allowances	-	97,518
Tax losses carried forward	260,229	(50,687)
	260,229	46,831

24. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
210 (2021 - 222) Ordinary A shares of £1.00 each	210	222
2 (2021 - 2) Ordinary B shares of £1.00 each	2	2
1 (2021 - 1) Ordinary C share of £1.00	1	1
	213	225

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.

During the year G Rowswell sold 12 Ordinary A shares back to the Group for consideration of £2,700,000.

G K R LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2022

25. Dividends

	2022 £	2021 £
Dividend - Ordinary Class A - £6,061 (2021: £7,322) per share	1,321,124	1,625,556
Dividend - Ordinary Class B - £37,861 (2021: £33,152) per share	75,722	66,303
Dividend - Ordinary Class C - £115,556 (2021: £71,956) per share	115,556	71,956
	<u>1,512,402</u>	<u>1,763,815</u>

26. 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.

27. 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 2022 amounted to £nil (2021: £nil) in respect of overdrafts.

G K R LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2022

28. Commitments under operating leases

At 31 October 2022 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2022	Group 2021
	£	£
Payments		
Not later than 1 year	405,015	285,792
Later than 1 year and not later than 5 years	1,121,590	706,885
Later than 5 years	15,000	77,500
	<u>1,541,605</u>	<u>1,070,177</u>
	Group 2022	Group 2021
	£	£
Receipts		
Not later than 1 year	45,000	45,000
Later than 1 year and not later than 5 years	105,000	150,000
	<u>150,000</u>	<u>195,000</u>

29. Related party transactions

During the year the Group was charged management charges of £531,091 (2021: £484,000) 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 £531,091 (2021: £484,000) in respect of these costs.

In addition, the Group paid expenses on behalf of the partnership totalling £15,452 (2021: £25,750) and received £47,189 (2021: £30,957) in repayments. At the balance sheet date the Group was owed £32,288 (2021: £92,749) by the partnership and is included in other debtors.

Key management personnel compensation was £1,135,766 (2021: £996,729) in total.

During the year G Rowswell sold 12 Ordinary A shares back to the Group for consideration of £2,700,000.

G K R LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2022

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 2020	15,736
Amounts advanced	1,542,511
Amounts repaid	(35,899)
Balance carried forward at 31 October 2021	1,522,348
Balance brought forward at 1 November 2021	1,522,348
Amounts advanced	755,287
Amounts repaid	(2,246,121)
Balance carried forward at 31 October 2022	31,514

31. Controlling party

The Company is under the ultimate control of L Rowswell and N Rowswell by virtue of their 93.4% shareholding.