REGISTERED NUMBER: 08951921 (England and Wales)

STRATEGIC REPORT, REPORT OF THE DIRECTORS AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 FOR BCD LOGISTICS LTD

RFM Audit Services LLP, Statutory Auditor
120-124 Towngate
Leyland
Lancashire
PR25 2LQ

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FOR THE YEAR ENDED 30 JUNE 2022

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BCD LOGISTICS LTD

COMPANY INFORMATION
FOR THE YEAR ENDED 30 JUNE 2022

DIRECTORS:	Mr G W Bethel Mr M Dixon
REGISTERED OFFICE:	Cedar House 123 Worsley Road Manchester Greater Manchester M28 2WG
BUSINESS ADDRESS:	c/o The Green Group Barton Dock Road Trafford Park Manchester M32 0ZG
REGISTERED NUMBER:	08951921 (England and Wales)
AUDITORS:	RFM Audit Services LLP, Statutory Auditor 120-124 Towngate Leyland Lancashire PR25 2LQ

STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2022

The directors present their strategic report for the year ended 30 June 2022.

REVIEW OF BUSINESS

The year started following a very similar pattern to that of the outgoing 2021. Strong and consistent workflows were pretty much the norm for most of the period. This developed once again into a significant growth in turnover but, more importantly, bottom line profit. The COVID pandemic during this financial period seemingly banished into history. Being ever focused on strong customer relations, a widening of the customer base, high service levels and developing rail freight usage has ensured the company has continued to thrive in this period.
Improvements have continued to be achieved in operational performance by focusing on operational efficiencies and staff investment. Further investment in fleet and associated technologies have added to the overall efficiencies of the operations.
The trading performance has ensured the company cashflow has remained strong, whilst enabling the company to continue to invest in the future.

PRINCIPAL RISKS AND UNCERTAINTIES

The main risks of the business are the same year on year and include the consistency of workflows delivered from sea. Shipping lines continued investment in larger vessels to cope with global growth means any disruption to sailing schedules has a significant impact on workflows out of the ports. Increasing and improving locally based hubs has gone some way to reduce the impact suffered by individual ports over the working weeks. Quarter 4 this year has seen the additional and serious impact of the war in Ukraine. While we have only felt the effect as a slight ripple in this period, the warning signs are there for a more significant impact next year.
Strong competition, service level expectations, fuel prices and VOSA compliance are always in the forefront of daily business risks and uncertainties.
Fuel prices remained volatile during the year but our pricing structures address this risk and are paramount to maintaining company performance.
Compliance with VOSA road safety is engrained within the company's ethos, with substantial ongoing investment in the overall fleet, high standards required from commercial partners and continuous staff training. This approach has resulted in the company continuing to achieve the highest G03 VOSA scores.
During quarter 4 the business initiated a trading partnership with JME Transport & Distribution Ltd, to diversify into the general haulage market which will further enhance and widen the company transport offering. A loan has been made to JME Transport & Distribution Ltd and the directors feel it prudent to make a provision against the recoverability of this loan within the accounts. The Directors expect this to be a mutually beneficial partnership in the long term.

DEVELOPMENT AND PERFORMANCE

The company's aims remain that of consistent performance and business growth in strategically identified areas. Continually expanding the company offering with greater utilisation of the rail network and partnerships within general haulage are good examples of this approach.
Customer focus is key to development and growth and the company has continued to invest in this area to improve the customer experience. Ongoing investment in technology has paved the way for enhanced practices of compliance excellence and the company is working towards "Enhanced Recognition" status with VOSA.

FINANCIAL KEY PERFORMANCE INDICATORS

The financial key performance indicators used by the company to assess performance are as follows:

- Turnover increased by 22.4% on the previous year.
- Gross Profit Margin excluding depreciation, increased from 24% in 2021, to 30.8% in 2022.
- Overall company gearing has fallen from 28.9% in 2021, to 21.5% in 2022.

ON BEHALF OF THE BOARD:

Mr G W Bethel - Director

31 March 2023

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 JUNE 2022

The directors present their report with the financial statements of the company for the year ended 30 June 2022.

PRINCIPAL ACTIVITY
The principal activity of the company in the year under review was that of road haulage and distribution.

DIVIDENDS
Interim dividends per share of £8.22 on Ordinary £1 shares and £10.76 on Ordinary A £1 shares were paid.
The directors recommend that no final dividends be paid.
The total distribution of dividends for the year ended 30 June 2022 was £641,500.

DIRECTORS
The directors shown below have held office during the whole of the period from 1 July 2021 to the date of this report.

Mr G W Bethel
Mr M Dixon

STATEMENT OF DIRECTORS' RESPONSIBILITIES
The directors are responsible for preparing the Strategic Report, the Report of the Directors and the 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS
The auditors, RFM Audit Services LLP, Statutory Auditor, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

Mr G W Bethel - Director

31 March 2023

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF BCD LOGISTICS LTD

Opinion

We have audited the financial statements of BCD Logistics Ltd (the 'company') for the year ended 30 June 2022 which comprise the Statement of Income and Retained Earnings, Balance Sheet, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, 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 company's affairs as at 30 June 2022 and of its 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 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.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

Opinions 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 Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 Statement of Directors' Responsibilities set out on page four, 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 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 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 company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, is detailed below.
- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with the directors and other management, and from our commercial knowledge and experience of the haulage industry;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and data protection, VOSA, health and safety, employment and environmental legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:
- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:
- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias and investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:
- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with VOSA, HMRC, relevant regulators including the Health and Safety Executive, and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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 Report of the Auditors.

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 a Report of the Auditors 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.

Alan Meikle (Senior Statutory Auditor)
for and on behalf of RFM Audit Services LLP, Statutory Auditor
120-124 Towngate
Leyland
Lancashire
PR25 2LQ

31 March 2023

STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 30 JUNE 2022

	Notes	2022 £	2021 £
TURNOVER		21,015,887	17,175,675
Cost of sales		14,539,312	13,055,632
GROSS PROFIT		6,476,575	4,120,043
Administrative expenses		3,487,793	1,974,552
		2,988,782	2,145,491
Other operating income	3	-	16,651
OPERATING PROFIT	5	2,988,782	2,162,142
Interest payable and similar expenses	7	76,636	76,821
PROFIT BEFORE TAXATION		2,912,146	2,085,321
Tax on profit	8	769,014	538,773
PROFIT FOR THE FINANCIAL YEAR		2,143,132	1,546,548
Retained earnings at beginning of year		3,360,556	1,971,883
Dividends	9	(641,500)	(157,875)
RETAINED EARNINGS AT END OF YEAR		4,862,188	3,360,556

The notes form part of these financial statements

BALANCE SHEET
30 JUNE 2022

	Notes	2022 £	£	2021 £	£
FIXED ASSETS					
Tangible assets	10		4,705,524		3,542,978
CURRENT ASSETS					
Stocks	11	36,594		20,722	
Debtors	12	6,413,981		3,591,156	
Cash at bank and in hand		408,536		335,734	
		6,859,111		3,947,612	
CREDITORS					
Amounts falling due within one year	13	3,298,057		2,010,849	
NET CURRENT ASSETS			3,561,054		1,936,763
TOTAL ASSETS LESS CURRENT LIABILITIES			8,266,578		5,479,741
CREDITORS					
Amounts falling due after more than one year	14		(1,254,607)		(1,302,963)
PROVISIONS FOR LIABILITIES	18		(2,069,783)		(736,222)
NET ASSETS			4,942,188		3,440,556
CAPITAL AND RESERVES					
Called up share capital	19		71,428		71,428
Share premium	20		8,572		8,572
Retained earnings	20		4,862,188		3,360,556
SHAREHOLDERS' FUNDS			4,942,188		3,440,556

The financial statements were approved by the Board of Directors and authorised for issue on 31 March 2023 and were signed on its behalf by:

Mr G W Bethel - Director

Mr M Dixon - Director

The notes form part of these financial statements

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2022

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	2,502,708	1,748,334
Interest paid		(29,650)	(30,189)
Interest element of hire purchase payments paid		(46,986)	(46,632)
Tax paid		(268,067)	(45,419)
Net cash from operating activities		2,158,005	1,626,094
Cash flows from investing activities			
Purchase of tangible fixed assets		(184,037)	(637,182)
Sale of tangible fixed assets		4,198	28,000
Net cash from investing activities		(179,839)	(609,182)
Cash flows from financing activities			
New loans in year		-	542,000
Loan repayments in year		(167,015)	(124,182)
Capital repayments in year		(1,314,586)	(1,058,539)
Amount introduced by directors		641,501	157,875
Amount withdrawn by directors		(423,764)	(176,463)
Equity dividends paid		(641,500)	(157,875)
Net cash from financing activities		(1,905,364)	(817,184)
Increase in cash and cash equivalents		72,802	199,728
Cash and cash equivalents at beginning of year	2	335,734	136,006
Cash and cash equivalents at end of year	2	408,536	335,734

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2022

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2022	2021
	£	£
Profit before taxation	2,912,146	2,085,321
Depreciation charges	825,971	595,194
Profit on disposal of fixed assets	(1,698)	(4,000)
Movement in provisions	988,958	17,712
Finance costs	76,636	76,821
	4,802,013	2,771,048
Increase in stocks	(15,872)	(8,353)
Increase in trade and other debtors	(2,822,825)	(1,175,734)
Increase in trade and other creditors	539,392	161,373
Cash generated from operations	2,502,708	1,748,334

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 30 June 2022

	30/6/22	1/7/21
	£	£
Cash and cash equivalents	408,536	335,734

Year ended 30 June 2021

	30/6/21	1/7/20
	£	£
Cash and cash equivalents	335,734	136,006

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2022

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1/7/21 £	Cash flow £	Other non-cash changes £	At 30/6/22 £
Net cash				
Cash at bank and in hand	335,734	72,802		408,536
	335,734	72,802		408,536
Debt				
Finance leases	(1,723,597)	1,314,586	(1,806,981)	(2,215,992)
Debts falling due within 1 year	(155,976)	(6,624)	-	(162,600)
Debts falling due after 1 year	(282,040)	173,640	-	(108,400)
	(2,161,613)	1,481,602	(1,806,981)	(2,486,992)
Total	(1,825,879)	1,554,404	(1,806,981)	(2,078,456)

The notes form part of these financial statements

1. STATUTORY INFORMATION

BCD Logistics Ltd is a private company, limited by shares , registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

BASIS OF PREPARING THE FINANCIAL STATEMENTS

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

TURNOVER

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

TANGIBLE FIXED ASSETS

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Plant and machinery	- 50% on cost and 33% on cost
Fixtures and fittings	- 50% on cost and 33% on cost
Motor vehicles	- 50% on cost, 33% on cost, 25% on cost, 20% on cost, 15% on cost and 10% on cost
Computer equipment	- 50% on cost and 33% on cost

STOCKS

Stocks are valued at the lower of cost and estimated selling price less costs to complete and sell.

TAXATION

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

DEFERRED TAX

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

continued...

2. **ACCOUNTING POLICIES - continued**

HIRE PURCHASE AND LEASING COMMITMENTS
Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Rentals payable and receivable under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

PENSION COSTS AND OTHER POST-RETIREMENT BENEFITS
The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

SIGNIFICANT JUDGEMENTS AND ESTIMATES
Significant judgements and estimates made by management in preparing these financial statements which also have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:
- Depreciation and impairment of fixed assets
- Refurbishment costs in relation to leased equipment in line with return conditions within the lease contracts

3. **OTHER OPERATING INCOME**

	2022	2021
	£	£
Furlough grants received	-	5,021
Business Interruption Payment	-	11,630
	-	16,651

4. **EMPLOYEES AND DIRECTORS**

	2022	2021
	£	£
Wages and salaries	763,297	1,826,837
Social security costs	78,746	144,495
Other pension costs	15,956	27,150
	857,999	1,998,482

The average number of employees during the year was as follows:

	2022	2021
Directors	2	2
Staff	88	50
	90	52

The average number of employees stated for the current year relates to the period from 1 April 2022 to 30 June 2022. Between 1 July 2021 to 31 March 2022 staff resource was provided through a third party outsourced human resource company.

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4. EMPLOYEES AND DIRECTORS - continued

	2022	2021
	£	£
Directors' remuneration	4,750	6,333

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	2	1

5. OPERATING PROFIT

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

	2022	2021
	£	£
Depreciation - owned assets	222,976	212,768
Depreciation - assets on hire purchase contracts	602,996	382,424
Profit on disposal of fixed assets	(1,698)	(4,000)
Auditors' remuneration	13,000	13,000

6. EXCEPTIONAL ITEMS

Administrative expenses includes an exceptional item of £1,000,000 relating to a provision against a Related Party loan. See note 18 for further details.

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	2022	2021
	£	£
Bank loan interest payable	11,630	11,630
Factoring Interest	18,020	17,896
Other interest payable	-	211
Interest on overdue tax	-	452
Hire purchase interest	46,986	46,632
	76,636	76,821

8. TAXATION

Analysis of the tax charge
The tax charge on the profit for the year was as follows:

	2022	2021
	£	£
Current tax:		
UK corporation tax	424,411	268,067
Deferred tax:		
Origination and reversal of timing differences	344,603	270,706
Tax on profit	769,014	538,773

UK corporation tax has been charged at 19% (2021 - 19%).

continued...

8. **TAXATION - continued**

RECONCILIATION OF TOTAL TAX CHARGE INCLUDED IN PROFIT AND LOSS

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2022	2021
	£	£
Profit before tax	2,912,146	2,085,321
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	553,308	396,211
Effects of:		
Expenses not deductible for tax purposes	5,502	1,542
Deferred tax increase	82,705	141,694
Super deduction allowance	(62,501)	(674)
Connected company loan provision	190,000	-
Total tax charge	769,014	538,773

Factors that may affect future tax charges:
The UK Finance Act 2021 was substantially enacted 24 May 2021, which has increased the UK Corporation tax rate from 19% to 25% from 1 April 2023. The provision for deferred tax has been made at 25%, the rate at which timing differences are expected to reverse.

9. **DIVIDENDS**

	2022	2021
	£	£
Ordinary shares of £1 each		
Dividends paid	411,000	71,250
Ordinary A shares of £1 each		
Dividends paid	230,500	86,625
	641,500	157,875

continued...

10. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 July 2021	208,437	108,515	4,418,265	81,023	4,816,240
Additions	37,793	19,354	1,926,481	7,390	1,991,018
Disposals	-	-	(7,000)	-	(7,000)
At 30 June 2022	246,230	127,869	6,337,746	88,413	6,800,258
DEPRECIATION					
At 1 July 2021	123,937	89,947	997,526	61,852	1,273,262
Charge for year	39,496	8,083	761,683	16,710	825,972
Eliminated on disposal	-	-	(4,500)	-	(4,500)
At 30 June 2022	163,433	98,030	1,754,709	78,562	2,094,734
NET BOOK VALUE					
At 30 June 2022	82,797	29,839	4,583,037	9,851	4,705,524
At 30 June 2021	84,500	18,568	3,420,739	19,171	3,542,978

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor vehicles £
COST	
At 1 July 2021	3,637,540
Additions	1,806,981
Reclassification/transfer	(292,750)
At 30 June 2022	5,151,771
DEPRECIATION	
At 1 July 2021	742,876
Charge for year	602,996
Reclassification/transfer	(93,547)
At 30 June 2022	1,252,325
NET BOOK VALUE	
At 30 June 2022	3,899,446
At 30 June 2021	2,894,664

11. STOCKS

	2022 £	2021 £
Fuel stock	36,594	20,722

continued...

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade debtors	3,032,447	2,708,055
Other debtors	3,098,202	569,674
VAT	85,794	101,197
Prepayments and accrued income	197,538	212,230
	6,413,981	3,591,156

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Bank loans and overdrafts (see note 15)	162,600	155,976
Hire purchase contracts (see note 16)	1,069,785	702,674
Trade creditors	980,520	623,719
Corporation tax	424,411	268,067
Social security and other taxes	76,863	-
Wages Control	35,315	-
Other creditors	14,288	-
Directors' current accounts	279,556	61,819
Accruals and deferred income	254,719	198,594
	3,298,057	2,010,849

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2022	2021
	£	£
Bank loans (see note 15)	108,400	282,040
Hire purchase contracts (see note 16)	1,146,207	1,020,923
	1,254,607	1,302,963

15. LOANS

An analysis of the maturity of loans is given below:

	2022	2021
	£	£
Amounts falling due within one year or on demand:		
Bank loans	162,600	155,976
Amounts falling due between one and two years:		
Bank loans - 1-2 years	108,400	169,224
Amounts falling due between two and five years:		
Bank loans - 2-5 years	-	112,816

continued...

16. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2022	2021
	£	£
Gross obligations repayable:		
Within one year	1,151,225	753,961
Between one and five years	1,234,111	1,098,006
	2,385,336	1,851,967
Finance charges repayable:		
Within one year	81,440	51,287
Between one and five years	87,904	77,083
	169,344	128,370
Net obligations repayable:		
Within one year	1,069,785	702,674
Between one and five years	1,146,207	1,020,923
	2,215,992	1,723,597

	Non-cancellable operating leases	
	2022	2021
	£	£
Within one year	83,578	140,867
Between one and five years	84,501	130,635
	168,079	271,502

17. SECURED DEBTS

The following secured debts are included within creditors:

	2022	2021
	£	£
Bank loans	271,000	438,016
Hire purchase contracts	2,215,992	1,723,597
	2,486,992	2,161,613

The Bank loan is secured against the company assets. Hire Purchase creditors are secured against the individual assets to which the agreement applies.

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18. PROVISIONS FOR LIABILITIES

	2022 £	2021 £
Deferred tax		
Accelerated capital allowances	934,992	590,389
Other provisions		
Refurbishment cost provision	134,791	145,833
Related Party loan provision	1,000,000	-
	1,134,791	145,833
Aggregate amounts	2,069,783	736,222

	Deferred tax £	Other provisions £
Balance at 1 July 2021	590,389	145,833
Charge to Income Statement during year	344,603	988,958
Balance at 30 June 2022	934,992	1,134,791

During the year, there was a charge of £344,603 for Deferred Tax and a credit of £11,042 relating to Refurbishment charges, to the Income Statement.
Also during the year, a provision of £1,000,000 was made against the connected company loan to JME Transport & Distribution Ltd, to provide against the potential risk the loan is not fully recovered.

19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2022 £	2021 £
50,000	Ordinary	£1	50,000	50,000
21,428	Ordinary A	£1	21,428	21,428
			71,428	71,428

20. RESERVES

	Retained earnings £	Share premium £	Totals £
At 1 July 2021	3,360,556	8,572	3,369,128
Profit for the year	2,143,132		2,143,132
Dividends	(641,500)		(641,500)
At 30 June 2022	4,862,188	8,572	4,870,760

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21. CHARGES

HSBC Bank Plc and HSBC Invoice Finance (UK) Ltd hold charges over the assets of the company, including fixed and floating charges and negative pledge, relating to an invoice discounting facility.
The invoice discounting facility balance at the year end was £1,445,852 Debtor (2021 - £202,735 Debtor). This balance is included within Other Debtors.

22. RELATED PARTY DISCLOSURES

During the year, the company entered into transactions with Expert Transport Solutions Ltd; a related party by virtue of common shareholder and director. Transactions charged by Expert Transport Services Ltd were £Nil (2021: £554,411) and transactions charged to Expert Transport Solutions Ltd were £Nil (2021: £1,783). At the balance sheet date, the company owed £Nil (2021: £Nil) to Expert Transport Solutions Ltd. Expert Transport Solutions Ltd ceased to trade on 28 February 2021.

During the year, the company entered into transactions with Solent Transport Services Ltd; a related party by virtue of common shareholder and director. Transactions charged by Solent Transport Services Ltd were £40,665 (2021: £51,332) and transactions charged to Solent Transport Services Ltd of £129,242 (2021: £64,399). At the balance sheet, the company was owed £17,354 (2021: £49,688) from Solent Transport Services Ltd, which was included in trade debtors and owed £1,800 (2021: £4,964) to Solent Transport Services Ltd, which was included in trade creditors.

During the year, the company entered into transactions with PMG Logistics Ltd; a related party by virtue of common shareholders and directors. Transactions charged by PMG Logistics Ltd of £73,982 (2021: £31,320) and transactions charged to PMG Logistics Ltd of £603,901 (2021: £87,511). At the balance sheet, the company was owed £74,361 (2021: £32,953) from PMG Logistics Ltd, which was included in trade debtors and owed £3,883 (2021: £5,334) to PMG Logistics Ltd, which was included in trade creditors.

During the year, the company entered into transactions with JME Transport & Distribution Ltd; a related party by virtue of common shareholders and directors. Transactions charged by JME Transport & Distribution Ltd of £256,158 (2021: £Nil) and transactions charged to JME Transport & Distribution Ltd of £127,477 (2021: £Nil). At the balance sheet, the company was owed £127,447 (2021: £Nil) from JME Transport & Distribution Ltd, which was included in trade debtors and owed £307,390 (2021: £Nil) to JME Transport & Distribution Ltd, which was included in trade creditors.The company has made an interest free loan to JME Transport & Distribution Ltd of £1,650,000 which is included within Other Debtors and is repayable on demand.Provision has been made against this loan for £1,000,000.

At the year end the company owed £279,556 (2021: £61,820) to key management personnel. The loans were made on an interest free basis and are repayable on demand.

Dividends paid during the year to the directors and their partners in respect of shares held in the company were £641,500 (2020: £157,875).

23. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is Mr G W Bethel.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.