REGISTERED NUMBER: SC192621 (Scotland)

STRATEGIC REPORT, REPORT OF THE DIRECTORS AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2022 FOR CALEDONIAN LOGISTICS LIMITED

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022

	Page
Company Information	1
Strategic Report	2 to 3
Report of the Directors	4
Report of the Independent Auditors	5 to 6
Income Statement	7
Other Comprehensive Income	8
Balance Sheet	9
Statement of Changes in Equity	10
Cash Flow Statement	11
Notes to the Cash Flow Statement	12
Notes to the Financial Statements	13 to 23

COMPANY INFORMATION
FOR THE YEAR ENDED 30 APRIL 2022

DIRECTORS:	D Mitchell N G Keddie S J Mitchell
SECRETARY:	Stronachs Sectretaries Limited
REGISTERED OFFICE:	28 Albyn Place Aberdeen AB10 1YL
REGISTERED NUMBER:	SC192621 (Scotland)
AUDITORS:	Bain Henry Reid Statutory Auditors Chartered Accountants 4 West Craibstone Street Bon-Accord Square ABERDEEN AB11 6YL
BANKERS:	Bank of Scotland plc 39 Albyn Place Aberdeen AB10 1YN

STRATEGIC REPORT
FOR THE YEAR ENDED 30 APRIL 2022

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

REVIEW OF BUSINESS
With the continuance of Covid during the trading year business has traded normally, slight increase in volume throughout the year despite the challenging trading situation.

The year was busy with revenues up 6.5% against budget, so a busy year with the emphasis aimed at increasing profitability/margins in the business across all elements of the business. No changes to the principles of the business, still in road haulage, distribution, and storage services.

The trading year 2021/22 has been very challenging, more than normal, main areas of concern were employment of good people and managing the business with volatile fuel prices towards the later part of the year. Trading was steady throughout the year but as in previous years we had a strong trading year and we managed the outcome reasonably well. Company position remains optimistic with steady sales, good client base and very little bad or aged debts. Profitability remains our focus going forward.

We are always looking at our cost base and trying where possible to keep costs to a minimum.

PRINCIPAL RISKS AND UNCERTAINTIES
The director considers that the risks for future profitability of the business remain to be mainly competition and cost fluctuation. However, the company remains in a competitive market with an increasing number of competitors coming into the market. It is recognised that to remain competitive it requires to continue to market its services and continue to ensure that overheads are kept under control.

FINANCIAL KEY PERFORMANCE INDICATORS
Given the straight forward nature of the business, the director is of the opinion that monitoring turnover and gross profit margin is sufficient for an understanding of the development, performance or position of the business. Results have been as follows:

	2022	2021	Movement
Turnover	£15.2m	£14.0m	8%
Gross Profit	£2.4m	£3.1m	(23%)
Gross Profit Percentage	15.9%	22.2%	(6.3%)

Please see review of business above for commentary on these results.

FINANCIAL RISK MANAGEMENT
The company's financial instruments comprise cash at bank, overdraft, and various items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to fund the company's operations as well as to manage its working capital and liquidity.

Credit risk
We carry out credit risk checks on our client base and more so with larger clients. New clients are checked on our system and given an appropriate rating.

Liquidity risk
The company actively maintains a mixture of long-term and short-term debt finance designed to ensure that it has sufficient funds available for current and future operations. The company results are monitored on a month to month basis, with a view to maintaining a strong balance sheet.

ENVIRONMENT
The company is committed to maintaining its high standards for ensuring safe business practice and minimising the environmental impact of its activities where possible.

FUTURE OUTLOOK

Transport/haulage is always challenging, as in previous years we have a stable customer base, good mix of clients and we are always trying to expand where possible at the correct rates with the margin we need to trade profitably, but the marketplace is still very competitively priced. We do monitor our sections of business and we are careful in the margins we operate in.

All our sites, Inverness, Cumbernauld and Oldmeldrum are trading well and are all well utilised, Cumbernauld site must improve its margin going forward.

With good business practice we try to expand sales/minimise costs during this year to aid profitability, we are less anxious about the Covid situation now and hope to improve overall trading.

Overall, a better result but need to improve and monitor margins.

ON BEHALF OF THE BOARD:

D Mitchell - Director

15 September 2022

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 APRIL 2022

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

DIVIDENDS
The total distribution of dividends for the year ended 30 April 2022 will be £ 28,000 .

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

D Mitchell
N G Keddie
S J Mitchell

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, Bain Henry Reid, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

D Mitchell - Director

15 September 2022

Opinion
We have audited the financial statements of Caledonian Logistics Limited (the 'company') for the year ended 30 April 2022 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, 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 April 2022 and of its loss 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.

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 company and the sector in which it operates. We determined that the following laws and regulations were most significant: the Companies Act 2006; health and safety legislation; and DVSA driving regulations, in particular regarding their Operators Licence.

We obtained an understanding of how the company has complied with those legal and regulatory frameworks by making enquiries of the management. We corroborated our enquiries through our enquiries of the company's legal advisers.

Assessing the design and effectiveness of controls management has in place to detect fraud, and understanding how those charged with governance have considered the potential for override of those controls, or other inappropriate influence over the financial reporting process.

We assessed the susceptibly of the company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed during the company's audit included:

- Challenging assumptions and judgements made by management in its significant accounting estimates.
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations.
- Assessing the extent of compliance with the relevant 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 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 W Marr (Senior Statutory Auditor)
for and on behalf of Bain Henry Reid
Statutory Auditors
Chartered Accountants
4 West Craibstone Street
Bon-Accord Square
ABERDEEN
AB11 6YL

23 September 2022

INCOME STATEMENT
FOR THE YEAR ENDED 30 APRIL 2022

	Notes	2022 £	2021 £
TURNOVER	3	**15,175,480**	13,952,988
Cost of sales		**12,765,465**	10,850,897
GROSS PROFIT		**2,410,015**	3,102,091
Administrative expenses		**3,368,032**	3,315,860
		(958,017)	(213,769)
Other operating income		**160,031**	404,306
OPERATING (LOSS)/PROFIT	5	**(797,986)**	190,537
Interest receivable and similar income		**7**	18
		(797,979)	190,555
Interest payable and similar expenses	6	**74,129**	56,085
(LOSS)/PROFIT BEFORE TAXATION		**(872,108)**	134,470
Tax on (loss)/profit	7	**(77,655)**	1,315
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		**(794,453)**	133,155

The notes form part of these financial statements

OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 APRIL 2022

	Notes	2022 £	2021 £
(LOSS)/PROFIT FOR THE YEAR		**(794,453)**	133,155
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**(794,453)**	133,155

The notes form part of these financial statements

BALANCE SHEET
30 APRIL 2022

	Notes	2022 £	£	2021 £	£
FIXED ASSETS					
Tangible assets	9		**2,981,870**		3,119,593
CURRENT ASSETS					
Debtors	10	**2,610,865**		2,168,578	
Cash at bank and in hand		**6,389**		264,457	
		2,617,254		2,433,035	
CREDITORS					
Amounts falling due within one year	11	**4,550,565**		3,275,529	
NET CURRENT LIABILITIES			**(1,933,311)**		(842,494)
TOTAL ASSETS LESS CURRENT LIABILITIES			**1,048,559**		2,277,099
CREDITORS					
Amounts falling due after more than one year	12		**(816,301)**		(1,144,733)
PROVISIONS FOR LIABILITIES	16		**(25,825)**		(103,480)
NET ASSETS			**206,433**		1,028,886
CAPITAL AND RESERVES					
Called up share capital	17		**19,286**		19,286
Capital redemption reserve	18		**34,286**		34,286
Retained earnings	18		**152,861**		975,314
SHAREHOLDERS' FUNDS			**206,433**		1,028,886

The financial statements were approved by the Board of Directors and authorised for issue on 15 September 2022 and were signed on its behalf by:

D Mitchell - Director

The notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2022

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Total equity £
Balance at 1 May 2020	19,286	919,159	34,286	972,731
Changes in equity				
Dividends	-	(77,000)	-	(77,000)
Total comprehensive income	-	133,155	-	133,155
Balance at 30 April 2021	19,286	975,314	34,286	1,028,886
Changes in equity				
Dividends	-	(28,000)	-	(28,000)
Total comprehensive income	-	(794,453)	-	(794,453)
Balance at 30 April 2022	19,286	152,861	34,286	206,433

The notes form part of these financial statements

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 APRIL 2022

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	**137,426**	357,322
Interest paid		**(26,743)**	(14,071)
Interest element of hire purchase payments paid		**(47,386)**	(42,014)
Tax paid		**43,178**	5,240
Net cash from operating activities		**106,475**	306,477
Cash flows from investing activities			
Purchase of tangible fixed assets		**(264,417)**	(732,888)
Sale of tangible fixed assets		**109,927**	102,382
Interest received		**7**	18
Net cash from investing activities		**(154,483)**	(630,488)
Cash flows from financing activities			
New loans in year		**-**	400,000
Loan repayments in year		**(150,733)**	(195,912)
Capital repayments in year		**(199,085)**	265,605
Amount introduced by directors		**-**	141
Amount withdrawn by directors		**-**	(283)
Equity dividends paid		**(28,000)**	(77,000)
Net cash from financing activities		**(377,818)**	392,551
(Decrease)/increase in cash and cash equivalents		**(425,826)**	68,540
Cash and cash equivalents at beginning of year	2	**(994,167)**	(1,062,707)
Cash and cash equivalents at end of year	2	**(1,419,993)**	(994,167)

The notes form part of these financial statements

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

1. RECONCILIATION OF (LOSS)/PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2022	2021
	£	£
(Loss)/profit before taxation	(872,108)	134,470
Depreciation charges	295,130	247,768
Profit on disposal of fixed assets	(2,917)	(11,977)
Finance costs	74,129	56,085
Finance income	(7)	(18)
	(505,773)	426,328
Increase in trade and other debtors	(485,465)	(412,792)
Increase in trade and other creditors	1,128,664	343,786
Cash generated from operations	137,426	357,322

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 April 2022

	30/4/22	1/5/21
	£	£
Cash and cash equivalents	6,389	264,457
Bank overdrafts	(1,426,382)	(1,258,624)
	(1,419,993)	(994,167)

Year ended 30 April 2021

	30/4/21	1/5/20
	£	£
Cash and cash equivalents	264,457	163,478
Bank overdrafts	(1,258,624)	(1,226,185)
	(994,167)	(1,062,707)

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1/5/21	Cash flow	At 30/4/22
	£	£	£
Net cash			
Cash at bank and in hand	264,457	(258,068)	6,389
Bank overdrafts	(1,258,624)	(167,758)	(1,426,382)
	(994,167)	(425,826)	(1,419,993)
Debt			
Finance leases	(650,683)	199,085	(451,598)
Debts falling due within 1 year	(146,000)	6,000	(140,000)
Debts falling due after 1 year	(787,790)	144,733	(643,057)
	(1,584,473)	349,818	(1,234,655)
Total	(2,578,640)	(76,008)	(2,654,648)

The notes form part of these financial statements

1. STATUTORY INFORMATION

Caledonian Logistics Limited is a private company, limited by shares , registered in Scotland. 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" ('FRS 102'), and with the Companies Act 2006. The financial statements have been prepared on the historic cost basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

The financial statements are presented in Sterling (£).

Going concern
The directors, having made due and careful enquiry, are of the opinion that the company will be able to maintain positive cash flows over the next 12 months. The directors have therefore made an informed judgement at the time of approving the financial statements that the company is a going concern. As a result, the directors have continued to adopt the going concern basis of accounting in preparing the annual financial statements.

Significant judgements and estimates
Preparation of the financial statements requires the directors to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

Estimated useful lives and residual values of tangible fixed assets
The annual depreciation charge for tangible fixed assets has been based on the estimated useful lives and residual values of the assets deemed appropriate by the directors. Estimated useful lives and residual values are reviewed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

Turnover
Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from rendering of services.

Rendering of services
The company provides road haulage and storage facility services. When the outcome of a transaction for the rendering of services can be estimated reliably in terms of revenue, cost and its stage of completion, the company recognises revenue on the sale of services in the reporting period in which the services are rendered by reference to the stage of completion of the specific transaction at the end of the reporting period. The stage of completion is determined on the basis of the actual completion of a proportion of the total services to be rendered.

When the outcome of a service contract cannot be estimated reliably the company only recognises revenue to the extent of the recoverable expenses recognised.

Rental income
Rental income from freehold property or from subletting leased premises is recognised on a straight-line basis over the term of the relevant lease. Rental income is included in other operating income.

2. ACCOUNTING POLICIES - continued

Tangible fixed assets
Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets, other than freehold land, over their estimated useful life or, if held under a finance lease, over the term of the lease, whichever is the shorter. The rates applicable are:

Freehold property	- 4% on cost
Plant and machinery	- 25% on reducing balance
Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance
Office equipment	- 25% on reducing balance

Impairment of assets
At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

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. If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors.

2. ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments
Leases are classified as finance leases or hire purchase contracts whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the company. All other leases are classified as operating leases.

Assets held under finance lease or hire purchase contracts are recognised initially at the fair value of the leased asset (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease or hire purchase contract obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation using the effective interest method so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are deducted in measuring profit or loss. Assets held under finance leases or hire purchase contracts are included in tangible fixed assets and depreciated and assessed for impairment losses in the same way as owned assets.

Rentals payable under operating leases are charged to the profit or loss on a straight line basis over the lease term, unless the rental payments are structured to increase in line with expected general inflation, in which case the company recognises annual rent expense equal to amounts owed to the lessor.

The aggregate benefit of lease incentives are recognised as a reduction to the expense recognised over the lease term on a straight line basis.

Employee 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.

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

Loans to employees or key management (being repayable on demand) are measured at the undiscounted amount of the cash or other consideration expected to be received.

Creditors
Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Directors' loans (being repayable on demand) are measured at the undiscounted amount of the cash or other consideration expected to be paid.

The company recognises a provision for annual leave accrued by employees as a result of services rendered in the current period, and which employees are entitled to carry forward and use within the next twelve months. The provision is measured at the salary cost payable for the period of absence.

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk to changes in value.

Provisions for liabilities
Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

3. TURNOVER

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

4. EMPLOYEES AND DIRECTORS

	2022	2021
	£	£
Wages and salaries	**4,646,823**	4,035,226
Social security costs	**414,029**	350,764
Other pension costs	**76,162**	71,532
	5,137,014	4,457,522

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

	2022	2021
Direct	**104**	97
Administration & management	**33**	31
	137	128

	2022	2021
	£	£
Directors' remuneration	**165,054**	157,113
Directors' pension contributions to money purchase schemes	**3,545**	3,232

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

Money purchase schemes	**3**	3

5. OPERATING (LOSS)/PROFIT

The operating loss (2021 - operating profit) is stated after charging/(crediting):

	2022	2021
	£	£
Operating leases	**1,892,253**	1,588,602
Depreciation - owned assets	**51,968**	46,162
Depreciation - assets on hire purchase contracts	**243,162**	201,607
Profit on disposal of fixed assets	**(2,917)**	(11,977)
Auditors' remuneration	**18,150**	14,250
Auditors' remuneration for non audit work	**2,850**	2,750

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2022	2021
	£	£
Bank loan interest	**26,508**	14,071
HMRC interest & penalties	**235**	-
Hire purchase interest	**47,386**	42,014
	74,129	56,085

7. TAXATION

Analysis of the tax (credit)/charge
The tax (credit)/charge on the loss for the year was as follows:

	2022	2021
	£	£
Current tax:		
R&D credit	-	(30,699)
Deferred tax	(77,655)	32,014
Tax on (loss)/profit	(77,655)	1,315

Reconciliation of total tax (credit)/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
	£	£
(Loss)/profit before tax	(872,108)	134,470
(Loss)/profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	(165,701)	25,549
Effects of:		
Expenses not deductible for tax purposes	9,671	5,993
Adjustments to tax charge in respect of previous periods	75,149	-
Other tax adjustments	3,226	472
R & D credit	-	(30,699)
Total tax (credit)/charge	(77,655)	1,315

8. DIVIDENDS

	2022	2021
	£	£
Interim	28,000	77,000

9. TANGIBLE FIXED ASSETS

	Heritable property £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 May 2021	**2,234,532**	**119,656**	**182,936**
Additions	**-**	**14,304**	**3,892**
Disposals	**-**	**-**	**-**
At 30 April 2022	**2,234,532**	**133,960**	**186,828**
DEPRECIATION			
At 1 May 2021	**148,239**	**53,680**	**149,291**
Charge for year	**108**	**18,734**	**8,981**
Eliminated on disposal	**-**	**-**	**-**
At 30 April 2022	**148,347**	**72,414**	**158,272**
NET BOOK VALUE			
At 30 April 2022	**2,086,185**	**61,546**	**28,556**
At 30 April 2021	2,086,293	65,976	33,645

	Motor vehicles £	Office equipment £	Totals £
COST			
At 1 May 2021	**1,692,715**	**130,405**	**4,360,244**
Additions	**194,744**	**51,477**	**264,417**
Disposals	**(226,886)**	**(29,891)**	**(256,777)**
At 30 April 2022	**1,660,573**	**151,991**	**4,367,884**
DEPRECIATION			
At 1 May 2021	**777,555**	**111,886**	**1,240,651**
Charge for year	**257,094**	**10,213**	**295,130**
Eliminated on disposal	**(119,876)**	**(29,891)**	**(149,767)**
At 30 April 2022	**914,773**	**92,208**	**1,386,014**
NET BOOK VALUE			
At 30 April 2022	**745,800**	**59,783**	**2,981,870**
At 30 April 2021	915,160	18,519	3,119,593

Depreciation has not been provided for on freehold heritable property this year on the basis that residual value is considered to be in excess of net book value.

9. TANGIBLE FIXED ASSETS - continued

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

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Office equipment £	Totals £
COST					
At 1 May 2021	**32,350**	**15,200**	**1,188,125**	-	**1,235,675**
Additions	**-**	**-**	**194,744**	**51,477**	**246,221**
Disposals	**-**	**-**	**(169,086)**	**-**	**(169,086)**
Transfer to ownership	**-**	**-**	**(120,015)**	**-**	**(120,015)**
At 30 April 2022	**32,350**	**15,200**	**1,093,768**	**51,477**	**1,192,795**
DEPRECIATION					
At 1 May 2021	**9,604**	**9,188**	**390,343**	**-**	**409,135**
Charge for year	**5,687**	**1,504**	**232,634**	**3,337**	**243,162**
Eliminated on disposal	**-**	**-**	**(73,514)**	**-**	**(73,514)**
Transfer to ownership	**-**	**-**	**(104,175)**	**-**	**(104,175)**
At 30 April 2022	**15,291**	**10,692**	**445,288**	**3,337**	**474,608**
NET BOOK VALUE					
At 30 April 2022	**17,059**	**4,508**	**648,480**	**48,140**	**718,187**
At 30 April 2021	22,746	6,012	797,782	-	826,540

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade debtors	**2,337,772**	1,982,232
Other debtors	**8,585**	4,208
Taxation	**-**	43,178
Prepayments and accrued income	**264,508**	138,960
	2,610,865	2,168,578

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Bank loans and overdrafts (see note 13)	**1,566,382**	1,378,624
Other loans (see note 13)	**-**	26,000
Hire purchase contracts (see note 14)	**278,354**	293,740
Trade creditors	**1,642,234**	742,463
Social security and other taxes	**109,085**	85,814
VAT	**288,647**	265,167
Other creditors	**49,559**	16,408
Accruals	**616,304**	467,313
	4,550,565	3,275,529

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

	2022	2021
	£	£
Bank loans (see note 13)	**643,057**	787,790
Hire purchase contracts (see note 14)	**173,244**	356,943
	816,301	1,144,733

13. LOANS

An analysis of the maturity of loans is given below:

	2022	2021
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	**1,426,382**	1,258,624
Bank loans	**140,000**	120,000
Other loans	**-**	26,000
	1,566,382	1,404,624
Amounts falling due between one and two years:		
Bank loans - 1-2 years	**140,000**	140,000
Amounts falling due between two and five years:		
Bank loans - 2-5 years	**340,000**	420,000
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans more 5 yr by instal	**163,057**	227,790

The property loan is repayable monthly over 15 years, interest is charged at 3% per annum over the bank's sterling base rate.

The Covid-19 loan is repayable quarterly over 6 years, interest is charged at 3.99% per annum over the Bank of England base rate.

The other loan was fully repaid during the year.

14. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2022	2021
	£	£
Net obligations repayable:		
Within one year	**278,354**	293,740
Between one and five years	**173,244**	356,943
	451,598	650,683

14. **LEASING AGREEMENTS - continued**

	Non-cancellable operating leases	
	2022	2021
	£	£
Within one year	**1,500,905**	1,358,804
Between one and five years	**3,015,511**	2,703,741
In more than five years	**800,736**	1,006,077
	5,317,152	5,068,622

Certain operating leases have policies where charges are levied when mileage limits are exceeded. Any potential charge is not expected to be material.

Operating lease commitments - Income

Minimum income from operating leases is receivable as follows:

	Non-cancellable operating leases	
	2022	2021
£ £		
Within one year	19,452	19,452
Between one and five years	-	-
In more than five years	-	-
	19,452	19,452

15. **SECURED DEBTS**

The following secured debts are included within creditors:

	2022	2021
	£	£
Bank overdrafts	**1,426,382**	1,258,624
Bank loans	**783,057**	907,790
Hire purchase contracts	**451,598**	650,683
	2,661,037	2,817,097

The bank loans are secured by a First Legal Scottish Charge over the property at Caledonian House, Midmill Industrial Estate, Kintore and a floating charge over the remaining assets of the company in favour of HSBC. The overdraft is secured by a floating charge over the whole assets of the company in favour of Close Invoice Finance Limited. There is also a bond of floating charge over the whole assets of the company in favour of Bank of Scotland.

Net obligations under hire purchase contracts are secured on the assets acquired.

16. PROVISIONS FOR LIABILITIES

	2022	2021
	£	£
Deferred tax		
Accelerated capital allowances	**169,073**	195,689
Tax losses carried forward	**(265,853)**	(214,814)
Other timing differences	**122,605**	122,605
	25,825	103,480

	Deferred tax
	£
Balance at 1 May 2021	**103,480**
Credit to Income Statement during year	**(77,655)**
Balance at 30 April 2022	**25,825**

The amount of the net reversal of deferred tax expected to occur next year is £42,346 (2021: £48,967), relating to the reversal of existing timing differences on tangible fixed assets.

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2022 £	2021 £
19,286	Ordinary	£1	**19,286**	19,286

Each share is entitled to one vote in any circumstances and each share is also entitled pari passu to dividend payments or any other distributions, including a distribution arising from a winding up of the company.

18. RESERVES

	Retained earnings £	Capital redemption reserve £	Totals £
At 1 May 2021	**975,314**	**34,286**	**1,009,600**
Deficit for the year	**(794,453)**		**(794,453)**
Dividends	**(28,000)**		**(28,000)**
At 30 April 2022	**152,861**	**34,286**	**187,147**

Capital redemption reserve
This reserve records the nominal value of shares repurchased by the company.

Retained earnings
This reserve records all current and prior period retained profit and loss.

19. PENSION COMMITMENTS

The company operates a defined contribution scheme. £33,044 was outstanding at the year end (2021: £16,180)

20. CAPITAL COMMITMENTS

	2022	2021
	£	£
Contracted but not provided for in the financial statements	**299,000**	24,500

21. RELATED PARTY DISCLOSURES

Key management personnel of the entity or its parent (in the aggregate)

	2022	2021
	£	£
Key management personnel compensation	**263,754**	270,890
Dividends paid to directors	**28,000**	77,000

22. ULTIMATE CONTROLLING PARTY

The company is controlled by Mr D Mitchell, a director of the company, by virtue of his 100% interest in the ordinary share capital.

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.