

Neill & Brown (Shipping) Limited
Strategic Report, Report of the Directors and
Financial Statements for the Year Ended 30th April 2021

Smailes Goldie
Chartered Accountants
Statutory Auditor
Regent's Court
Princess Street
Hull
East Yorkshire
HU2 8BA

Contents of the Financial Statements

for the year ended 30th April 2021

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Neill & Brown (Shipping) Limited

Company Information

for the year ended 30th April 2021

DIRECTORS:

P A Brown
J C Brown
C Moody
I Halder
C Andrew

SECRETARY:

I Halder

REGISTERED OFFICE:

Overseas House
Livingstone Road
Hessle
Hull
East Yorkshire
HU13 0EG

REGISTERED NUMBER:

01431638 (England and Wales)

AUDITORS:

Smailes Goldie
Chartered Accountants
Statutory Auditor
Regent's Court
Princess Street
Hull
East Yorkshire
HU2 8BA

Strategic Report

for the year ended 30th April 2021

BUSINESS REVIEW

The principal activities of the company are those of shipping, UK and European road haulage and forwarding agents.

Turnover for the year increased to £20,337,396 (2020: £19,111,645) and profit after taxation for the financial year increased to £945,402 (2020: £817,072). Net assets at the year end were £2,998,183 (2020: £2,667,781).

FUTURE DEVELOPMENTS

The company continues to believe that opportunities exist to develop its core activities, notwithstanding the ongoing risks and uncertainties that face the company.

PRINCIPAL RISKS AND UNCERTAINTIES

Competition risk

The company faces competition risk from both UK and overseas haulage and freight forwarding companies. This puts pressure on the company to keep rates low which can be difficult given fluctuating shipping costs, fuel prices and currency rate movements. However, these risks are faced by all companies operating within this industry.

Currency risk

The company is exposed to movements in foreign currency exchange rates as a number of customers pay in Euro's. The risk is managed by paying suppliers in Euro's where possible and by using forward currency contracts where appropriate.

Credit risk

The company is party to a credit insurance policy which covers the majority of its credit risk.

Brexit

The company developed systems and processes and recruited additional staff to deal with the significant changes to the movement of goods to and from the EU from the 1st January 2021. These now form part of the normal day to day operations and the company has benefitted from an additional revenue stream completing customs declarations in-house.

COVID-19

Measures remain in place to mitigate the risks posed by COVID-19.

FINANCIAL KEY PERFORMANCE INDICATORS

The company's key financial performance indicators during the year were as follows:

	2021	2020
	£	£
Turnover	20,337,396	19,111,645
Gross profit	2,953,912	2,879,017

ON BEHALF OF THE BOARD:

P A Brown - Director

23rd September 2021

Report of the Directors

for the year ended 30th April 2021

The directors present their report with the financial statements of the company for the year ended 30th April 2021.

DIVIDENDS

Dividends of £615,000 (2020: £650,000) were paid within the year.

DIRECTORS

The directors shown below have held office during the whole of the period from 1st May 2020 to the date of this report.

P A Brown
J C Brown
C Moody
I Halder
C Andrew

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, Smailes Goldie, will be proposed for re-appointment in accordance with section 485 of the Companies Act 2006.

ON BEHALF OF THE BOARD:

P A Brown - Director

23rd September 2021

Report of the Independent Auditors to the Members of Neill & Brown (Shipping) Limited

Opinion

We have audited the financial statements of Neill & Brown (Shipping) Limited (the 'company') for the year ended 30th April 2021 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and 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 30th April 2021 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.

Report of the Independent Auditors to the Members of Neill & Brown (Shipping) Limited

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 three, 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.

Report of the Independent Auditors to the Members of Neill & Brown (Shipping) Limited

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:

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the , including the Companies Act 2006, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation. An understanding of these laws and regulations and the extent of compliance was obtained through discussion with management and inspecting legal and regulatory correspondence.

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 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;
- enquiring of management as to actual and potential litigation and claims.

Due to the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances 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.

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission, or misrepresentation.

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.

Report of the Independent Auditors to the Members of Neill & Brown (Shipping) Limited

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.

Peter Dearing BSc FCCA (Senior Statutory Auditor)
for and on behalf of Smailes Goldie
Chartered Accountants
Statutory Auditor
Regent's Court
Princess Street
Hull
East Yorkshire
HU2 8BA

23rd September 2021

Neill & Brown (Shipping) Limited (Registered number: 01431638)

Income Statement

for the year ended 30th April 2021

	Notes	2021 £	2020 £
TURNOVER	4	20,337,396	19,111,645
Cost of sales		<u>17,383,484</u>	<u>16,232,628</u>
GROSS PROFIT		2,953,912	2,879,017
Administrative expenses		<u>1,780,279</u>	<u>1,807,860</u>
		1,173,633	1,071,157
Other operating income		<u>30,953</u>	<u>7,211</u>
OPERATING PROFIT	6	1,204,586	1,078,368
Interest receivable and similar income	8	<u>132</u>	<u>-</u>
		1,204,718	1,078,368
Interest payable and similar expenses	9	<u>40,164</u>	<u>50,008</u>
PROFIT BEFORE TAXATION		1,164,554	1,028,360
Tax on profit	10	<u>219,152</u>	<u>211,288</u>
PROFIT FOR THE FINANCIAL YEAR		945,402	817,072

The notes form part of these financial statements

Other Comprehensive Income

for the year ended 30th April 2021

	Notes	2021 £	2020 £
PROFIT FOR THE YEAR		945,402	817,072
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>945,402</u>	<u>817,072</u>

Neill & Brown (Shipping) Limited (Registered number: 01431638)

Balance Sheet

30th April 2021

	Notes	2021 £	£	2020 £	£
FIXED ASSETS					
Tangible assets	12		2,395,153		2,354,389
CURRENT ASSETS					
Debtors	13	7,219,279		4,806,010	
Cash at bank		<u>1,317,868</u>		<u>1,295,851</u>	
		8,537,147		6,101,861	
CREDITORS					
Amounts falling due within one year	14	<u>6,778,980</u>		<u>4,600,591</u>	
NET CURRENT ASSETS			<u>1,758,167</u>		<u>1,501,270</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			4,153,320		3,855,659
CREDITORS					
Amounts falling due after more than one year	15		(894,643)		(1,018,298)
PROVISIONS FOR LIABILITIES	18		<u>(260,494)</u>		<u>(169,580)</u>
NET ASSETS			<u>2,998,183</u>		<u>2,667,781</u>
CAPITAL AND RESERVES					
Called up share capital	19		100		100
Retained earnings	20		<u>2,998,083</u>		<u>2,667,681</u>
SHAREHOLDERS' FUNDS			<u>2,998,183</u>		<u>2,667,781</u>

The financial statements were approved by the Board of Directors and authorised for issue on 23rd September 2021 and were signed on its behalf by:

P A Brown - Director

Statement of Changes in Equity

for the year ended 30th April 2021

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1st May 2019	100	2,500,609	2,500,709
Changes in equity			
Dividends	-	(650,000)	(650,000)
Total comprehensive income	-	817,072	817,072
Balance at 30th April 2020	100	2,667,681	2,667,781
Changes in equity			
Dividends	-	(615,000)	(615,000)
Total comprehensive income	-	945,402	945,402
Balance at 30th April 2021	100	2,998,083	2,998,183

Notes to the Financial Statements

for the year ended 30th April 2021

1. STATUTORY INFORMATION

Neill & Brown (Shipping) Limited 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.

Financial Reporting Standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of paragraph 3.17(d);
- the requirement of paragraph 33.7.

This information is included in the consolidated financial statements of Neill & Brown Global Logistics Limited as at 30 April 2021 and these financial statements may be obtained from Overseas House, Waterside Trading Park, Livingstone Road.

Turnover

Turnover is recognised at the point the company has completed its services to the customer and to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Notes to the Financial Statements - continued

for the year ended 30th April 2021

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

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.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged, so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

- Motor vehicles - 20-25% on cost per annum
- Fixtures, fittings and equipment - 25% on cost per annum

Motor vehicles which have a guaranteed buy back arrangement in place are depreciated down to the buyback value on a straight line basis. Trailers are depreciated on a straight line basis over seven years to their estimated residual value.

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within the Statement of income and retained earnings.

Government grants

Grants towards capital expenditure are credited to deferred income and released to the profit and loss account over the expected useful economic life of the asset.

Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

Notes to the Financial Statements - continued

for the year ended 30th April 2021

2. ACCOUNTING POLICIES - continued

Financial instruments

The company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets

Basic financial assets, including trade and other receivables and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the statement of income and retained earnings.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, and trading loans from fellow group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate.

The company does not currently apply hedge accounting for foreign exchange derivatives.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Notes to the Financial Statements - continued

for the year ended 30th April 2021

2. ACCOUNTING POLICIES - continued

Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of income and retained earnings, except that a change attributable 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 operates and generates 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 difference 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.

Foreign currencies

Functional and presentational currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transaction's are translated into the functional currency using the spot exchange rates at the date of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of income and retained earnings except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses are presented in the income statement within 'cost of sales'.

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.

Cash at bank and in hand

Cash is represented by cash in hand and deposits held at call with financial institutions. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Finance costs

Finance costs are charged to the profit and loss account 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.

Notes to the Financial Statements - continued

for the year ended 30th April 2021

2. ACCOUNTING POLICIES - continued

Dividends

Equity dividends are recognised when they become legally payable.

Pensions

The company operates a defined contribution pension plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payments obligations.

The contributions are recognised as an expense in the statement of income and retained earnings when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

Borrowing costs

All borrowing costs are recognised in the statement of income and retained earnings in, the year in which they are incurred.

Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the statement of income and retained earnings in the year that the company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the financial statements in conformity with FRS 102 requires management to make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed 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.

Impairment of assets

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

Notes to the Financial Statements - continued

for the year ended 30th April 2021

4. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	2021 £	2020 £
United Kingdom	7,451,573	9,558,463
Rest of Europe	12,885,823	9,553,182
	<u>20,337,396</u>	<u>19,111,645</u>

5. EMPLOYEES AND DIRECTORS

	2021 £	2020 £
Wages and salaries	2,038,700	2,062,566
Social security costs	187,427	184,811
Other pension costs	41,308	41,348
	<u>2,267,435</u>	<u>2,288,725</u>

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

	2021	2020
Office/management	18	20
Drivers	42	42
	<u>60</u>	<u>62</u>

	2021 £	2020 £
Directors' remuneration	-	-

6. OPERATING PROFIT

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

	2021 £	2020 £
Depreciation - owned assets	554,738	554,856
Loss/(profit) on disposal of fixed assets	1,242	(1,091)
Foreign exchange differences	<u>(111,648)</u>	<u>62,524</u>

7. AUDITORS' REMUNERATION

	2021 £	2020 £
Fees payable to the company's auditors for the audit of the company's financial statements	<u>8,137</u>	<u>7,900</u>

Notes to the Financial Statements - continued

for the year ended 30th April 2021

8. INTEREST RECEIVABLE AND SIMILAR INCOME

	2021	2020
	£	£
Other interest	<u>132</u>	<u>-</u>

9. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021	2020
	£	£
Other loan interest payable	40,164	49,422
Interest on corporation tax	-	586
	<u>40,164</u>	<u>50,008</u>

10. TAXATION

Analysis of the tax charge

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

	2021	2020
	£	£
Current tax:		
UK corporation tax	128,238	171,630
Prior year adjustment	-	(104)
Total current tax	<u>128,238</u>	<u>171,526</u>
Deferred tax:		
Timing differences	90,914	24,385
Impact of change in rates	-	15,284
Prior year restatement	-	93
Total deferred tax	<u>90,914</u>	<u>39,762</u>
Tax on profit	<u>219,152</u>	<u>211,288</u>

UK corporation tax has been charged at 19% (2020 - 19%).

Notes to the Financial Statements - continued

for the year ended 30th April 2021

10. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

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

	2021 £	2020 £
Profit before tax	<u>1,164,554</u>	<u>1,028,360</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	221,265	195,388
Effects of:		
Expenses not deductible for tax purposes	406	627
Income not taxable for tax purposes	(2,519)	-
Adjustments to tax charge in respect of previous periods	-	(11)
Amounts relating to change in tax rates	-	15,284
Total tax charge	<u>219,152</u>	<u>211,288</u>

In the Spring Budget 2021, the Government announced that from 1st April 2023 the corporation tax rate will increase to 25%. At the balance sheet date, the proposal to increase the rate to 25% had not been substantively enacted, substantive enactment occurred on 24th May 2021, therefore, its effects are not included in these financial statements.

The expected net reversal of deferred tax assets and liabilities in 2021 is £21,825, this is due to the reversal of accelerated capital allowances and short term timing differences.

11. DIVIDENDS

	2021 £	2020 £
Ordinary shares of £1 each	<u>615,000</u>	<u>650,000</u>

Notes to the Financial Statements - continued

for the year ended 30th April 2021

12. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Motor vehicles £	Totals £
COST			
At 1st May 2020	8,135	3,959,670	3,967,805
Additions	4,322	751,362	755,684
Disposals	-	(603,034)	(603,034)
At 30th April 2021	<u>12,457</u>	<u>4,107,998</u>	<u>4,120,455</u>
DEPRECIATION			
At 1st May 2020	3,311	1,610,105	1,613,416
Charge for year	2,010	552,728	554,738
Eliminated on disposal	-	(442,852)	(442,852)
At 30th April 2021	<u>5,321</u>	<u>1,719,981</u>	<u>1,725,302</u>
NET BOOK VALUE			
At 30th April 2021	<u>7,136</u>	<u>2,388,017</u>	<u>2,395,153</u>
At 30th April 2020	<u>4,824</u>	<u>2,349,565</u>	<u>2,354,389</u>

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

	2021	2020
£		
Motor vehicles	<u>2,241,342</u>	<u>2,288,740</u>

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
£		
Trade debtors	4,498,250	3,173,756
Amounts owed by group undertakings	1,910,697	1,382,917
Other debtors	533,973	216,146
Prepayments and accrued income	276,359	33,191
	<u>7,219,279</u>	<u>4,806,010</u>

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Notes to the Financial Statements - continued

for the year ended 30th April 2021

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Other loans (see note 16)	559,002	604,415
Hire purchase contracts (see note 17)	-	35,825
Trade creditors	3,449,647	1,905,118
Amounts owed to group undertakings	2,514,083	1,508,884
Tax	38,151	91,655
Social security and other taxes	58,465	262,948
Other creditors	-	34,525
Accruals and deferred income	159,632	157,221
	<u>6,778,980</u>	<u>4,600,591</u>

Included within creditors falling due within one year are secured creditors for £559,002 (2020: £640,240) relating to related party pension fund loans and hire purchase contracts. These creditors are secured against tangible fixed assets. All other creditors are unsecured, interest free and repayable on demand.

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

	2021	2020
	£	£
Other loans (see note 16)	<u>894,643</u>	<u>1,018,298</u>

Included with creditors falling due after more than one year are secured creditors for £894,643 (2020: £1,018,298). The other loans are secured against tangible fixed assets and repayable in period of 5 years at interest rates between 2.74% and 4.6%. The hire purchase contracts are each repayable in monthly instalments over a period of 5 years and carry an interest rate at 4.2% fixed.

16. LOANS

An analysis of the maturity of loans is given below:

	2021	2020
	£	£
Amounts falling due within one year or on demand:		
Other loans	<u>559,002</u>	<u>604,415</u>
Amounts falling due between one and two years:		
Other loans - 1-2 years	<u>413,942</u>	<u>473,387</u>
Amounts falling due between two and five years:		
Other loans - 2-5 years	<u>480,701</u>	<u>544,911</u>

Other loans relates to amounts borrowed from the Neill & Brown Global Logistics Directors' Pension Scheme.

Notes to the Financial Statements - continued

for the year ended 30th April 2021

17. LEASING AGREEMENTS

Minimum lease payments under hire purchase fall due as follows:

	2021 £	2020 £
Net obligations repayable:		
Within one year	<u>-</u>	<u>35,825</u>

18. PROVISIONS FOR LIABILITIES

	2021 £	2020 £
Deferred tax	<u>260,494</u>	<u>169,580</u>
		Deferred tax
		£
Balance at 1st May 2020		169,580
Charge to Income Statement during year		90,914
Balance at 30th April 2021		<u>260,494</u>

19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2021	2020
Number:	Class:	Nominal value:	£	£
100	Ordinary	£1	<u>100</u>	<u>100</u>

20. RESERVES

	Retained earnings £
At 1st May 2020	2,667,681
Profit for the year	945,402
Dividends	(615,000)
At 30th April 2021	<u>2,998,083</u>

21. PENSION COMMITMENTS

The company contributes to a workplace pension scheme for its employees. The pension charge represents contributions due from the company and amounted to £41,308 (2020: £41,348). There were no contributions prepaid or outstanding at the balance sheet date.

Notes to the Financial Statements - continued

for the year ended 30th April 2021

22. CONTINGENT LIABILITIES

The company is party to a multi-lateral cross company guarantee with the group's bankers, secured by a fixed charge on book debts and a floating charge over the assets generally. At the balance sheet date, the maximum exposure under this agreement in respect of bank borrowing was £nil (2020: £nil)

The guarantee further covers indemnities given by the bank in connection with the trade of the group to the value of £780,000. The directors consider the likelihood of these guarantees being called upon to be remote.

23. CAPITAL COMMITMENTS

	2021 £	2020 £
Contracted but not provided for in the financial statements	<u>315,732</u>	<u>171,280</u>

24. RELATED PARTY DISCLOSURES

During the year the company borrowed a further £451,000 (2020: £401,500) from the Neill and Brown Global Logistics Group Directors' Pension Scheme in order to fund the purchase of a further 6 vehicles. The loans are all secured against the vehicles and interest of £39,652 (2020: £48,181) was paid during the year. At the balance sheet date £1,453,645 (2020: £1,622,713) was outstanding.

25. ULTIMATE CONTROLLING PARTY

The company is controlled by Neill and Brown Global Logistics Group Limited, a company registered in England, no. 2253582, in whose accounts the results for the year have been consolidated. No one party has overall control of that company.

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