

United Pallet Network (UK) Limited
Strategic Report, Report of the Directors and
Financial Statements
for the Year Ended 31 March 2023

Contents of the Financial Statements
for the year ended 31 March 2023

	Page
Company Information	1
Strategic Report	2
Report of the Directors	3 to 4
Report of the Independent Auditors	5 to 8
Statement of Comprehensive Income	9
Balance Sheet	10
Statement of Changes in Equity	11
Notes to the Financial Statements	12 to 19

United Pallet Network (UK) Limited

Company Information
for the year ended 31 March 2023

DIRECTORS:

Mr D J Brown
Mr M B Chapman
Mr A J Lowe
Mr G S Allard
Mr N Chappelow
Mr S J Fuller

SECRETARY:

Mr G S Allard

REGISTERED OFFICE:

8 High View Close
Vantage Business Park
Leicester
Leicestershire
LE4 9LJ

REGISTERED NUMBER:

04089198 (England and Wales)

AUDITORS:

Clifford Roberts
Chartered Accountants &
Statutory Auditors
Pacioli House
9 Brookfield
Duncan Close
Northampton
Northamptonshire
NN3 6WL

Strategic Report
for the year ended 31 March 2023

The directors present their strategic report for the year ended 31 March 2023.

REVIEW OF BUSINESS

Turnover for the year under review was £14,109,858 compared to £13,655,027 for the year ended 31 March 2022, an increase of 3.3%. Profit before taxation for the year was £4,992,999 compared to £4,794,748 for the prior year.

At the year end, the company had shareholders' funds of £4,416,993 including distributable reserves of £4,413,793. The directors, therefore, believe the company's position is satisfactory and are optimistic for the future, especially as the company's current assets exceed its current liabilities by £3,807,781.

PRINCIPAL RISKS AND UNCERTAINTIES

The process of risk acceptance and risk management is addressed through a framework of policies, procedures, and internal controls. All policies are subject to Board approval and ongoing review by the directors and management. Compliance with regulation, legal and ethical standards is a high priority for the company.

The company has developed a framework for identifying the risks it faces and the directors have assessed the main risks to the business as being its dependency on the performance of the UK economy. The company provides services to businesses primarily in the UK and is, therefore, dependent on the performance of the UK economy. The directors are confident of continued growth and long-term stability of the business, with pallet numbers increasing.

The company finances its business through its shareholder funds and so the impact of any fluctuation in the bank interest rate is irrelevant.

FUTURE DEVELOPMENTS

The company continues to grow in respect of the number of pallets moved on a nightly basis. The company will continue to develop its internal systems and IT infrastructure in the coming year which will maintain UPN's position as a market leader within the pallet sector.

KEY PERFORMANCE INDICATORS

We have made significant progress throughout the year in relation to the key elements of our strategy, the board monitors the progress by reference to the following KPI's:

	2023	2022
Increase in turnover	3.3%	33.0%
Gross profit percentage	75.3%	74.4%
Net profit percentage	35.4%	35.1%
Liquidity ratio	2.07	1.81

All of the above ratios are defined in UK Generally Accepted Accounting Practice.

ON BEHALF OF THE BOARD:

Mr M B Chapman - Director

25 July 2023

Report of the Directors
for the year ended 31 March 2023

The directors present their report with the financial statements of the company for the year ended 31 March 2023.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of a transport hub.

DIVIDENDS

No interim dividends were paid during the year ended 31 March 2023.

The directors recommend final dividends per share as follows:

Ordinary A 1p shares	21.93
Ordinary B 1p shares	NIL
Ordinary C 1p shares	NIL

The total distribution of dividends for the year ended 31 March 2023 will be £ 4,000,000 .

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2022 to the date of this report.

Mr D J Brown
Mr M B Chapman
Mr A J Lowe
Mr G S Allard
Mr N Chappelow

Other changes in directors holding office are as follows:

Mr S J Fuller - appointed 9 May 2022

DISCLOSURE IN THE STRATEGIC REPORT

The disclosures relating to events occurring after the year end, likely future developments and research and development activities are disclosed within the strategic report.

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.

Report of the Directors
for the year ended 31 March 2023

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, Clifford Roberts, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

Mr M B Chapman - Director

25 July 2023

Report of the Independent Auditors to the Members of
United Pallet Network (UK) Limited

Opinion

We have audited the financial statements of United Pallet Network (UK) Limited (the 'company') for the year ended 31 March 2023 which comprise the Statement of 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 31 March 2023 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
United Pallet Network (UK) 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
United Pallet Network (UK) 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:

- We obtained an understanding of the legal and regulatory framework applicable to the company and the sector in which they operate. We determined that the following laws and regulations were most significant: the Companies Act 2006, UK Generally Accepted Accounting Practice and UK corporate taxation laws.
- We obtained an understanding of how the company is complying with those legal and regulatory frameworks by making inquiries to the management and by observing the oversight of management, the culture of honesty and ethical behaviour and whether strong emphasis is placed on fraud prevention, which may reduce the opportunities for fraud to take place, and fraud deterrence, which could persuade individuals not to commit fraud in the first instance. We corroborated our inquiries through our review of all relevant available audit information.
- We assessed and understood the susceptibility of the company's financial statements to material misstatement, including how fraud might occur. Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. The audit procedures performed by the engagement team included:
 - > Identifying and assessing the design and effectiveness of controls management has in place to prevent and detect fraud;
 - > Understanding of how senior management considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
 - > Challenging assumptions and judgements made by management in its significant accounting estimates;
 - > Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias; and,
 - > Assessing the extent of compliance with relevant laws and regulations.

Because of 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. 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
United Pallet Network (UK) 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.

Adam Billingham BA (Hons) BFP FCA (Senior Statutory Auditor)
for and on behalf of Clifford Roberts
Chartered Accountants &
Statutory Auditors
Pacioli House
9 Brookfield
Duncan Close
Northampton
Northamptonshire
NN3 6WL

25 July 2023

**Statement of Comprehensive
Income
for the year ended 31 March 2023**

	Notes	2023 £	2022 £
TURNOVER	4	14,109,858	13,655,027
Cost of sales		<u>3,484,438</u>	<u>3,489,031</u>
GROSS PROFIT		10,625,420	10,165,996
Administrative expenses		<u>5,646,599</u>	<u>5,423,219</u>
		4,978,821	4,742,777
Other operating income		<u>-</u>	<u>48,553</u>
OPERATING PROFIT	6	4,978,821	4,791,330
Interest receivable and similar income		<u>20,139</u>	<u>3,418</u>
		4,998,960	4,794,748
Interest payable and similar expenses	7	<u>6,351</u>	<u>-</u>
PROFIT BEFORE TAXATION		4,992,609	4,794,748
Tax on profit	8	<u>966,810</u>	<u>915,386</u>
PROFIT FOR THE FINANCIAL YEAR		4,025,799	3,879,362
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>4,025,799</u>	<u>3,879,362</u>

The notes form part of these financial statements

United Pallet Network (UK) Limited (Registered number: 04089198)

Balance Sheet
31 March 2023

	Notes	2023 £	£	2022 £	£
FIXED ASSETS					
Tangible assets	10		643,365		902,317
CURRENT ASSETS					
Stocks	11	90,930		52,115	
Debtors	12	4,484,153		3,943,858	
Cash at bank and in hand		<u>2,801,941</u>		<u>3,832,600</u>	
		7,377,024		7,828,573	
CREDITORS					
Amounts falling due within one year	13	<u>3,569,243</u>		<u>4,316,985</u>	
NET CURRENT ASSETS			<u>3,807,781</u>		<u>3,511,588</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			4,451,146		4,413,905
PROVISIONS FOR LIABILITIES	16		<u>34,153</u>		<u>22,711</u>
NET ASSETS			<u>4,416,993</u>		<u>4,391,194</u>
CAPITAL AND RESERVES					
Called up share capital	17		3,200		3,200
Retained earnings	18		<u>4,413,793</u>		<u>4,387,994</u>
SHAREHOLDERS' FUNDS			<u>4,416,993</u>		<u>4,391,194</u>

The financial statements were approved by the Board of Directors and authorised for issue on 25 July 2023 and were signed on its behalf by:

Mr M B Chapman - Director

The notes form part of these financial statements

Statement of Changes in Equity
for the year ended 31 March 2023

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2021	3,200	2,916,632	2,919,832
Changes in equity			
Dividends	-	(2,408,000)	(2,408,000)
Total comprehensive income	-	3,879,362	3,879,362
Balance at 31 March 2022	<u>3,200</u>	<u>4,387,994</u>	<u>4,391,194</u>
Changes in equity			
Dividends	-	(4,000,000)	(4,000,000)
Total comprehensive income	-	4,025,799	4,025,799
Balance at 31 March 2023	<u>3,200</u>	<u>4,413,793</u>	<u>4,416,993</u>

The notes form part of these financial statements

Notes to the Financial Statements
for the year ended 31 March 2023

1. COMPANY INFORMATION

The entity is a limited company incorporated within the UK. Its registered office is:

8 High View Close
Vantage Business Park
Leicester
Leicestershire
LE4 9LJ

and principal place of business is:

Common Lane
Fradley Park
Lichfield
Staffordshire
WS13 8NQ

The company carries out the principal activity of a palletised freight network within the UK.

2. STATUTORY INFORMATION

United Pallet Network (UK) 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.

3. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including 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 historical 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

At the time of approving the financial statements, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, even in light of the uncertainty caused by both Brexit and Covid-19. Thus the director continues to adopt the going concern basis of accounting in preparing the financial statements after taking into account the potential impact of current global issues on the company.

Financial Reporting Standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemption 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.

Significant judgements and estimates

In the application of the company's accounting policies, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

There are no key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements.

Notes to the Financial Statements - continued
for the year ended 31 March 2023

3. ACCOUNTING POLICIES - continued

Turnover

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

Turnover represents the invoiced amount of goods sold, stated net of value added tax. The turnover and pre-tax profit is attributable to the Hub charges which are recognised at the point the service is provided and membership fees which have been deferred over the period of the membership.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Short leasehold	- 25% on cost
Plant and machinery	- 25% on reducing balance
Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance
Software development	- 25% on reducing balance

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 affect asset is estimated and compared with the carrying amount. If estimated recoverable amount is lower, the carry amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment subsequently reserves, the carrying amount of the asset is increased to revised the 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.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, 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 taxation

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.

Notes to the Financial Statements - continued
for the year ended 31 March 2023

3. ACCOUNTING POLICIES - continued

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

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

Trade debtors

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

Trade creditors

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

Provisions for liabilities

Provisions are recognised when the group has a present legal or constructive obligation as a result of a past event, it is probable that the group 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 in to 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 the profit or loss in the period it arises.

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 12 months. The provision is measured at the salary cost payable for the period of absence.

4. TURNOVER

The company classifies its revenue as all generated from within the UK and all funds generated by one class of business.

5. EMPLOYEES AND DIRECTORS

	2023	2022
	£	£
Wages and salaries	4,123,984	4,308,343
Social security costs	473,492	467,093
Other pension costs	79,246	85,353
	<u>4,676,722</u>	<u>4,860,789</u>

Notes to the Financial Statements - continued
for the year ended 31 March 2023

5. EMPLOYEES AND DIRECTORS - continued

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

	2023	2022
Director	6	4
Administrative	31	33
Warehousing	71	70
	<u>108</u>	<u>107</u>

	2023	2022
	£	£
Directors' remuneration	607,505	805,384
Directors' pension contributions to money purchase schemes	<u>23,754</u>	<u>29,245</u>

Information regarding the highest paid director is as follows:

	2023	2022
	£	£
Emoluments etc	365,724	336,132
Pension contributions to money purchase schemes	<u>18,924</u>	<u>18,924</u>

6. OPERATING PROFIT

The operating profit is stated after charging:

	2023	2022
	£	£
Hire of plant and machinery	361,179	357,416
Depreciation - owned assets	297,144	306,259
Loss on disposal of fixed assets	2,889	10,337
Auditors' remuneration	<u>6,950</u>	<u>6,200</u>

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	2023	2022
	£	£
Other interest payable	<u>6,351</u>	<u>-</u>

8. TAXATION

Analysis of the tax charge

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

	2023	2022
	£	£
Current tax:		
UK corporation tax	988,155	910,254
Overprovision in prior years	(32,788)	-
Total current tax	<u>955,367</u>	<u>910,254</u>
Deferred tax	11,443	5,132
Tax on profit	<u>966,810</u>	<u>915,386</u>

Notes to the Financial Statements - continued
for the year ended 31 March 2023

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:

	2023 £	2022 £
Profit before tax	<u>4,992,609</u>	<u>4,794,748</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2022 - 19%)	948,596	911,002
Effects of:		
Expenses not deductible for tax purposes	777	24,660
Depreciation in excess of capital allowances	38,234	24,830
Adjustments to tax charge in respect of previous periods	(32,788)	(52,202)
Profit/Loss on sale of fixed assets	548	1,964
Movement on deferred tax enhanced deduction	11,443	5,132
Total tax charge	<u>966,810</u>	<u>915,386</u>

9. DIVIDENDS

	2023 £	2022 £
Ordinary A shares of 1p each		
Final	4,000,000	2,200,000
Ordinary B shares of 1p each		
Final	-	208,000
	<u>4,000,000</u>	<u>2,408,000</u>

10. TANGIBLE FIXED ASSETS

	Short leasehold £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 April 2022	1,079,539	224,411	139,665
Additions	-	14,945	26,136
Disposals	-	-	(10,421)
At 31 March 2023	<u>1,079,539</u>	<u>239,356</u>	<u>155,380</u>
DEPRECIATION			
At 1 April 2022	435,549	79,992	54,947
Charge for year	265,917	3,796	20,133
Eliminated on disposal	-	-	(7,532)
At 31 March 2023	<u>701,466</u>	<u>83,788</u>	<u>67,548</u>
NET BOOK VALUE			
At 31 March 2023	<u>378,073</u>	<u>155,568</u>	<u>87,832</u>
At 31 March 2022	<u>643,990</u>	<u>144,419</u>	<u>84,718</u>

Notes to the Financial Statements - continued
for the year ended 31 March 2023

10. TANGIBLE FIXED ASSETS - continued

	Motor vehicles £	Software development £	Totals £
COST			
At 1 April 2022	49,400	2,394	1,495,409
Additions	-	-	41,081
Disposals	-	-	(10,421)
At 31 March 2023	<u>49,400</u>	<u>2,394</u>	<u>1,526,069</u>
DEPRECIATION			
At 1 April 2022	20,769	1,835	593,092
Charge for year	7,158	140	297,144
Eliminated on disposal	-	-	(7,532)
At 31 March 2023	<u>27,927</u>	<u>1,975</u>	<u>882,704</u>
NET BOOK VALUE			
At 31 March 2023	<u>21,473</u>	<u>419</u>	<u>643,365</u>
At 31 March 2022	<u>28,631</u>	<u>559</u>	<u>902,317</u>

11. STOCKS

	2023 £	2022 £
Stocks	<u>90,930</u>	<u>52,115</u>

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Trade debtors	3,379,278	3,282,072
Amounts owed by group undertakings	-	1,349
Other debtors	232,081	51,472
Prepayments and accrued income	<u>872,794</u>	<u>608,965</u>
	<u>4,484,153</u>	<u>3,943,858</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Trade creditors	1,141,565	1,041,528
Amounts owed to group undertakings	3,573	-
Tax	638,155	522,456
Social security and other taxes	121,762	139,356
Net wages	10,341	423
VAT	579,794	477,067
Other creditors	68,329	476,167
Accruals and deferred income	<u>1,005,724</u>	<u>1,659,988</u>
	<u>3,569,243</u>	<u>4,316,985</u>

There is a fixed charge over all assets present assets and a first floating charge over all assets or undertakings of United Pallet Network (UK) Limited, present and future, in favour of HSBC UK Bank PLC.

Notes to the Financial Statements - continued
for the year ended 31 March 2023

14. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2023	2022
	£	£
Within one year	2,386,747	2,308,542
Between one and five years	6,317,170	7,005,513
In more than five years	6,616,506	7,697,080
	<u>15,320,423</u>	<u>17,011,135</u>

15. FINANCIAL RISK MANAGEMENT

The company has some exposure to credit, network, liquidity and cash flow interest rate risks. These risks are limited by the company's financial management policies and practices described below.

Foreign currency risk

The company has no exposure to foreign currency risks as all of the company's sales and purchases are denominated in sterling.

Credit risk

The company offer credit terms to its customers which allows payment of the debt at a future specified time. The company mitigates this risk by maintaining strong customer relationships and regular analysis its sales ledger for troubled customers, but as an ultimate failsafe the group and its members are able to take advantage of the safeguard fund.

Liquidity risk

The directors have ultimate responsibility for liquidity risk management in maintaining adequate reserves and banking facilities. Currently based on the cash reserves this is not deemed a significant risk.

Market risk

There is a market risk associated with the fluctuation in demand for the products and services provided. Most of this is mitigated by monitoring the markets and implementing strategies to deal with the identified risks.

Network coverage risk

The company is exposed to the risk of member either leaving the network or going into liquidation which impacts on network coverage. This is mitigated by continually reviewing the members area coverage and if required consolidation of that area, a continual drive to recruit new members, particularly in specific regions and the network support charge which helps fund areas in need of coverage.

The company holds no derivative financial instruments at the year end.

16. PROVISIONS FOR LIABILITIES

	2023	2022
	£	£
Deferred tax	<u>34,153</u>	<u>22,711</u>
		Deferred tax
		£
Balance at 1 April 2022		22,711
Charge to Statement of Comprehensive Income during year		<u>11,442</u>
Balance at 31 March 2023		<u>34,153</u>

Notes to the Financial Statements - continued
for the year ended 31 March 2023

16. PROVISIONS FOR LIABILITIES - continued

The deferred tax balance has arisen as a result of timing differences on the addition of fixed assets and the tax relief thereon.

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2023 £	2022 £
182,400	Ordinary A	1p	1,824	1,824
80,000	Ordinary B	1p	800	800
57,600	Ordinary C	1p	576	576
			<u>3,200</u>	<u>3,200</u>

Called Up Share Capital - represents the nominal value of shares that have been issued.

18. RESERVES

	Retained earnings £
At 1 April 2022	4,387,994
Profit for the year	4,025,799
Dividends	(4,000,000)
At 31 March 2023	<u>4,413,793</u>

Retained Earnings - includes all current and prior period retained profits and losses.

19. RELATED PARTY DISCLOSURES

During the year the company traded with related parties, all balance outstanding at the year end were trading balances and the payment of these outstanding items to fall within the normal terms of business.

	Sales £	Purchases £	Sales Ledger £	Purchase Ledger £	Dividends £
Control or significant influence	-	960,811	-	3,573	4,000,000
The entity has significant influence	15,048,847	683,852	3,363,463	114,887	-
Key management personnel	-	-	-	-	-
Other related parties	-	-	-	-	-
	<u>15,048,847</u>	<u>1,644,663</u>	<u>3,363,463</u>	<u>118,460</u>	<u>4,000,000</u>

20. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is March (Holdings) Limited, whose registered office is 8 High View Close, Vantage Business Park, Leicester, Leicestershire, LE4 9LJ.

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.