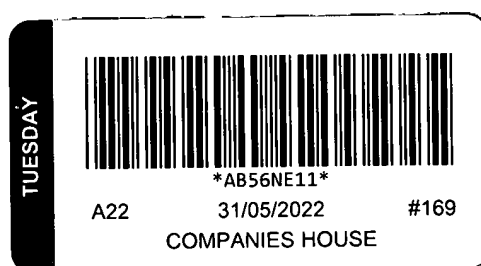


Registered number: 06003755

**CHANNEL COMMERCIALS KENT LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 26 NOVEMBER 2021**



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**CHANNEL COMMERCIALS KENT LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	R J Ades C Ayears P R Elliott M R Macintyre J A Stupple P Taylor
<b>Company secretary</b>	M R Macintyre
<b>Registered number</b>	06003755
<b>Registered office</b>	Cobbs Wood Industrial Estate Brunswick Road Ashford Kent TN23 1EH
<b>Independent auditor</b>	Crowe U.K. LLP Riverside House 40 - 46 High Street Maidstone Kent ME14 1JH

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**CHANNEL COMMERCIALS KENT LIMITED**

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## CHANNEL COMMERCIALS KENT LIMITED

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### GROUP STRATEGIC REPORT FOR THE YEAR ENDED 26 NOVEMBER 2021

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#### Introduction

Channel Commercials Kent Limited is the parent company of a group which is involved in the sale and service of commercial vehicles and the hire of vehicles on maintenance contracts.

#### Business review

Details of the group's performance are given in the profit and loss account on page 14 and the notes thereto. The position of the group at the end of the year is set out in the balance sheet on page 15 and the notes thereto. The directors are satisfied with the results for the year.

The directors consider the key performance indicators of the company to be gross profit percentage and net profit percentage before tax.

Gross profit percentage – is calculated by comparing gross profit against turnover.

Net profit percentage – is calculated by comparing profit on ordinary activities before tax against turnover.

	2021	2020
Gross profit percentage	8.33%	7.04%
Net profit percentage	4.49%	3.18%

#### Principal risks and uncertainties

Any business faces a number of risks and these are reviewed thoroughly and regularly by the Board as part of its ongoing corporate governance procedures.

#### Employee involvement and non-financial key performance indicators

The group continues to invest in its employees by ensuring that employees maintain a current training program to keep their technical knowledge up to date and to ensure that they are capable of dealing with new technologies.

The group takes an interest in the local community and annually supports local junior football teams by providing equipment and coaching facilities.

#### Future developments

The directors expect that the company will continue to operate profitably in the future.

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## CHANNEL COMMERCIALS KENT LIMITED

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### GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 26 NOVEMBER 2021

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#### **Directors' statement of compliance with duty to promote the success of the Group**

Section 172 of the Companies Act 2006 requires a director to act in a way they consider, in good faith, would be most likely to promote the success of the group for the benefit of its members as a whole in current periods and in the long term. In doing this, section 172 requires a director to have regard, among other matters, to; the likely consequences of any decision in the long term; the interests of the group's employees; the need to foster the group's operations on the community and the environment, the desirability of the group maintaining a reputation for high standards of business conduct, and the need to act fairly with members of the group.

In discharging their duties above, the directors carefully consider amongst other matters, the impact on and interests of other stakeholders in the group and factor these into their decision making process.

#### **Employees**

Directors receive information on various staff metrics. The directors are committed to promoting a healthy workforce comprising both physical and mental wellbeing. The directors keep staff informed of key issues through structured communication channels, promote inclusion in the workplace and also provide training and development opportunities where they are considered of benefit to the group and employees. Using the group's recruitment and development strategies, the directors seek to attract and retain talented staff.

#### **Customers**

The directors commit considerable time, effort and resources into understanding and responding to the needs of our customers with a view to fostering long term mutually beneficial partnerships. We act to service our customer's needs to the highest standards and work quickly to resolve any isolated disagreements that may arise from time to time.

#### **Suppliers**

The directors have established procedures to ensure that external suppliers are individually verified to ensure they meet with the health and safety, regulatory and financial security standards required by the group. The group seeks to pay all suppliers any undisputed amounts due and that conform with the group's billing requirements within agreed terms. The group has established procedures for dispute resolution in a timely and fair manner.

#### **Community and the environment**

The group takes its role within the community very seriously and promotes and encourages community and charitable contribution. The group also recognises the importance of its environmental responsibilities and has measures in place to monitor and control its impact on the local environment and its compliance with any regulatory environmental standards. The group seeks to implement policies aimed at reducing any potential detrimental environmental impact of its activities.

#### **Standards and conduct**

The group has a series of defined codes of practice regarding ethical standards and the conduct of business. These are clearly communicated to every staff member and adherence to which is expected and enforced.

This report was approved by the board on 27<sup>th</sup> May 2022 and signed on its behalf.



**M R Macintyre**  
Director

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## CHANNEL COMMERCIALS KENT LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 26 NOVEMBER 2021

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The directors present their report and the financial statements for the year ended 26 November 2021.

#### **Directors' responsibilities statement**

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Results and dividends**

The profit for the year, after taxation, amounted to £2,034,044 (2020 - £1,215,545).

During the year the company paid dividends of £1,011,294 (2020 - 1,011,294). A final dividend of £330,000 (2020 - £330,000) was also paid in respect of the prior year.

The directors recommend the payment of a final dividend of £510,000 in respect of the year ended 26 November 2021.

#### **Directors**

The directors who served during the year were:

R J Ades  
C Ayears  
P R Elliott  
M R Macintyre  
J A Stupple  
P Taylor

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## CHANNEL COMMERCIALS KENT LIMITED

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### DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 26 NOVEMBER 2021

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#### Financial instruments

The group has various financial instruments such as cash at bank, bank loans, trade debtors and trade creditors which arise directly from operations. The main purpose of these instruments is to finance the group's operations and facilitate its trading activities. The group does not enter into derivative transactions.

In respect of bank balances and bank loans, liquidity risk is managed by monitoring and forecasting cashflows and ensuring that adequate facilities are in place where forecasts indicate that it is prudent to do so.

In respect of trade debtors, credit risk is managed by having policies in place concerning the credit offered to customers and the monitoring debts that are past due.

#### Engagement with suppliers, customers and others

The group agrees payment terms with its suppliers when it enters into binding purchase contracts. It is the group's policy to adhere to the payment terms agreed with its suppliers whenever it is satisfied that the supplier has provided the goods or services in accordance with the agreed terms and conditions.

#### Going concern

Company law requires the directors to consider the appropriateness of the going concern basis when preparing the financial statements. The directors confirm that they consider that the going concern basis remains appropriate due to the fact that the directors believe that the group has sufficient resources to continue in operational existence for the foreseeable future on the basis of existing financing facilities.

Throughout 2021, business in general has remained buoyant, despite challenges presented by the Covid pandemic. Currently parts and service revenues are growing and the vehicle sales order book is full for 2022, with advance vehicle orders for 2023 being taken now. Based on this, the group's performance for the next two years looks to be similar to 2021. The directors therefore continue to adopt the going concern basis in preparing the group's financial statements.

#### Qualifying third party indemnity provisions

During the year an amount of £5,716 (2020 - £2,087) was paid in respect of directors indemnity insurance for the directors of the company.

**CHANNEL COMMERCIALS KENT LIMITED**

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 26 NOVEMBER 2021**

**Greenhouse gas emissions, energy consumption and energy efficiency action**

The Group's greenhouse gas emissions and energy consumption for the year are:

			2021	2020
Total energy consumption used to calculate emissions (kWh):			4,799,092	4,090,927
Total CO2e (tonnes):			1,037.52	909.82
Intensity ratio per £m sales revenue:			16.89	18.06
<b>Breakdown</b>			2021	2020
Total Emissions from Scope 1 activities			<b>828.02</b>	<b>681.09</b>
Fuel combustion for heat & vehicles (tCO2e)				
Scope 1 Breakdown	Natural Gas	kWh (gross CV)	1,548,410	1,275,129
		CO2e (tonnes)	285.5	234.46
	Gas Oil	kWh (gross CV)	146,064	140,952
		CO2e (tonnes)	37.51	36.19
	Heating Oil	kWh (gross CV)	132,679	124,120
		CO2e (tonnes)	35.58	33.23
	Diesel	kWh (gross CV)	1,915,209	1,515,799
		CO2e (tonnes)	453.64	364.66
	Petroleum	kWh (gross CV)	54,934	42,831
		CO2e (tonnes)	12.62	9.82
	LPG	kWh (gross CV)	13,019	11,012
		CO2e (tonnes)	2.79	2.36
	Welding Gases	kWh (gross CV)	2,074	2,073
		CO2e (tonnes)	0.38	0.38



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**CHANNEL COMMERCIALS KENT LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 26 NOVEMBER 2021**

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**Greenhouse gas emissions, energy consumption and energy efficiency action (continued)**

Total Emissions from Scope 2 activities			<b>209.51</b>	<b>228.73</b>
Purchased electricity (tCO <sub>2</sub> e)				
Scope 2 Breakdown	Electricity	kWh (gross CV)	986,703	981,084
		CO <sub>2</sub> e (tonnes)	209.51	228.73

**Methodology**

We have followed the 2019 HM Government Environmental Reporting Guidelines and used the GHG Reporting Protocol – Corporate Standard.

All calculations were made using the 2021 UK Government's Conversion Factors for Company Reporting.

**Measures to Reduce GHG Emissions 2020-21**

- An ongoing program is in place to replace expired lighting with more efficient models.
- We expanded our Environmental Management System, achieving ISO 14001 accreditation at the Strood, Sevenoaks and Canterbury depots.
- Our first fully electric delivery van was introduced to the company fleet.
- We renewed our company car fleet, with a greater percentage of electric and hybrid vehicles and installed electric vehicle charging points at Head Office.
- Use of video conferencing continues where possible, to reduce business mileage.
- Utility consumption continues to be monitored as a key KPI under the management system.

**Disclosure of information to auditor**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company and the Group's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the Group's auditor is aware of that information.

**Post balance sheet events**

There have been no significant events affecting the company since the year end..

**Auditor**

The auditor, Crowe U.K. LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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**CHANNEL COMMERCIALS KENT LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 26 NOVEMBER 2021**

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This report was approved by the board on *27<sup>th</sup> MAY 2022* and signed on its behalf.



**M R Macintyre**  
Director

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## CHANNEL COMMERCIALS KENT LIMITED

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### INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CHANNEL COMMERCIALS KENT LIMITED

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#### Opinion

We have audited the financial statements of Channel Commercials Kent Limited (the 'parent company') and its subsidiaries (the 'Group') for the year ended 26 November 2021, which comprise the Group Statement of comprehensive income, the Group and company Balance sheets, the Group Statement of cash flows, the Group and company Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent company's affairs as at 26 November 2021 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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**CHANNEL COMMERCIALS KENT LIMITED**

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**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CHANNEL COMMERCIALS KENT LIMITED (CONTINUED)**

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**Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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**CHANNEL COMMERCIALS KENT LIMITED**

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**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CHANNEL COMMERCIALS KENT LIMITED (CONTINUED)**

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**Responsibilities of directors**

As explained more fully in the Directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent company or to cease operations, or have no realistic alternative but to do so.

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## CHANNEL COMMERCIALS KENT LIMITED

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### INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CHANNEL COMMERCIALS KENT LIMITED (CONTINUED)

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#### **Auditor's responsibilities for the audit of the financial statements**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and taxation legislation.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management and the recognition of revenue. Our audit procedures to respond to these risks included:

- enquiry of management about the company's policies, procedures and related controls regarding compliance with laws and regulations and if there are any known instances of non-compliance;
- examining supporting documents for all material balances, transactions and disclosures;
- enquiry of management and review and inspection of relevant correspondence with the group's legal advisors;
- evaluation of the selection and application of accounting policies related to subjective measurements and complex transactions;
- detailed testing of a sample of sales made during the year and around the year and agreeing these through to invoices.
- testing the appropriateness of a sample of significant journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements; and
- review of accounting estimates for biases.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's report.

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CHANNEL COMMERCIALS KENT LIMITED

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CHANNEL COMMERCIALS KENT LIMITED (CONTINUED)

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**Use of our report**

This report is made solely to the company's directors, 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 directors those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's directors, as a body, for our audit work, for this report, or for the opinions we have formed.

*Crowe U.K. LLP*

Mark Anderson (Senior statutory auditor)

for and on behalf of  
**Crowe U.K. LLP**

Statutory Auditor

Riverside House  
40 - 46 High Street  
Maidstone  
Kent

ME14 1JH

Date: *30 May 2012*

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CHANNEL COMMERCIALS KENT LIMITED

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 26 NOVEMBER 2021

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	Note	2021 £	2020 £
Turnover	4	61,418,960	50,371,250
Cost of sales		(56,299,881)	(46,826,363)
<b>Gross profit</b>		<b>5,119,079</b>	<b>3,544,887</b>
Administrative expenses		(2,733,444)	(2,536,490)
Net profit on sale of tangible fixed assets		420,394	199,047
Other operating income	5	18,508	441,987
<b>Operating profit</b>	6	<b>2,824,537</b>	<b>1,649,431</b>
Interest receivable and similar income	10	-	208
Interest payable and expenses	11	(66,197)	(49,922)
<b>Profit before taxation</b>		<b>2,758,340</b>	<b>1,599,717</b>
Tax on profit	12	(724,296)	(384,172)
<b>Profit for the financial year</b>		<b>2,034,044</b>	<b>1,215,545</b>
<b>Profit for the year attributable to:</b>			
Owners of the parent company		2,034,044	1,215,545

There was no other comprehensive income for 2021 (2020 - £Nil).

The notes on pages 20 to 43 form part of these financial statements.



**CHANNEL COMMERCIALS KENT LIMITED**  
**REGISTERED NUMBER: 06003755**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 26 NOVEMBER 2021**

	Note	26 November 2021 £	27 November 2020 £
<b>Fixed assets</b>			
Intangible assets	14	423,153	564,204
Tangible assets	15	16,867,838	14,814,890
		<u>17,290,991</u>	<u>15,379,094</u>
<b>Current assets</b>			
Stocks	17	8,295,384	9,140,956
Debtors: amounts falling due within one year	18	5,932,053	5,218,057
Cash at bank and in hand	19	4,135,874	4,235,819
		<u>18,363,311</u>	<u>18,594,832</u>
Creditors: amounts falling due within one year	20	(17,838,366)	(18,859,369)
<b>Net current assets/(liabilities)</b>		<u>524,945</u>	<u>(264,537)</u>
<b>Total assets less current liabilities</b>		<u>17,815,936</u>	<u>15,114,557</u>
Creditors: amounts falling due after more than one year	21	(9,831,004)	(8,363,310)
<b>Provisions for liabilities</b>			
Deferred taxation	25	(737,713)	(526,778)
		<u>(737,713)</u>	<u>(526,778)</u>
<b>Net assets</b>		<u><u>7,247,219</u></u>	<u><u>6,224,469</u></u>
<b>Capital and reserves</b>			
Called up share capital	26	3,450,000	3,450,000
Capital redemption reserve	27	50,000	50,000
Profit and loss account	27	3,747,219	2,724,469
<b>Equity attributable to owners of the parent company</b>		<u><u>7,247,219</u></u>	<u><u>6,224,469</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on  
**27th MAY 2022**

  
**M R Macintyre**  
 Director

The notes on pages 20 to 43 form part of these financial statements.

**CHANNEL COMMERCIALS KENT LIMITED**  
**REGISTERED NUMBER: 06003755**

**COMPANY BALANCE SHEET**  
**AS AT 26 NOVEMBER 2021**

	Note	26 November 2021 £	27 November 2020 £
<b>Fixed assets</b>			
Investments	16	7,488,531	7,488,531
		<u>7,488,531</u>	<u>7,488,531</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	18	12,200,333	7,742,000
		<u>12,200,333</u>	<u>7,742,000</u>
Creditors: amounts falling due within one year	20	(10,409,794)	(9,218,539)
<b>Net current assets/(liabilities)</b>		<u>1,790,539</u>	<u>(1,476,539)</u>
<b>Total assets less current liabilities</b>		<u>9,279,070</u>	<u>6,011,992</u>
Creditors: amounts falling due after more than one year	21	(2,250,000)	(2,416,666)
<b>Net assets</b>		<u><u>7,029,070</u></u>	<u><u>3,595,326</u></u>
<b>Capital and reserves</b>			
Called up share capital	26	3,450,000	3,450,000
Capital redemption reserve	27	50,000	50,000
Profit and loss account	27	3,529,070	95,326
		<u>7,029,070</u>	<u>3,595,326</u>

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

27th MAY 2022

  
**M R Macintyre**  
 Director

The notes on pages 20 to 43 form part of these financial statements.

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements. The parent company's profit for the year was £4,445,038 (2020 - £1,079,421).

**CHANNEL COMMERCIALS KENT LIMITED**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 26 NOVEMBER 2021**

	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Total equity £
At 28 November 2020	3,450,000	50,000	2,724,469	6,224,469
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	2,034,044	2,034,044
<b>Total comprehensive income for the year</b>	-	-	2,034,044	2,034,044
Dividends: equity capital	-	-	(1,011,294)	(1,011,294)
<b>At 26 November 2021</b>	<b>3,450,000</b>	<b>50,000</b>	<b>3,747,219</b>	<b>7,247,219</b>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 27 NOVEMBER 2020**

	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Total equity £
At 30 November 2019	3,450,000	50,000	2,520,218	6,020,218
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	1,215,545	1,215,545
<b>Total comprehensive income for the year</b>	-	-	1,215,545	1,215,545
Dividends: equity capital	-	-	(1,011,294)	(1,011,294)
<b>At 27 November 2020</b>	<b>3,450,000</b>	<b>50,000</b>	<b>2,724,469</b>	<b>6,224,469</b>

The notes on pages 20 to 43 form part of these financial statements.

**CHANNEL COMMERCIALS KENT LIMITED**

**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 26 NOVEMBER 2021**

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 28 November 2020	3,450,000	50,000	95,326	3,595,326
Profit for the year	-	-	4,445,038	4,445,038
<b>Total comprehensive income for the year</b>	-	-	4,445,038	4,445,038
Dividends: equity capital	-	-	(1,011,294)	(1,011,294)
<b>At 26 November 2021</b>	<b>3,450,000</b>	<b>50,000</b>	<b>3,529,070</b>	<b>7,029,070</b>

**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 27 NOVEMBER 2020**

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 30 November 2019	3,450,000	50,000	27,199	3,527,199
Profit for the year	-	-	1,079,421	1,079,421
<b>Total comprehensive income for the year</b>	-	-	1,079,421	1,079,421
Dividends: equity capital	-	-	(1,011,294)	(1,011,294)
<b>At 27 November 2020</b>	<b>3,450,000</b>	<b>50,000</b>	<b>95,326</b>	<b>3,595,326</b>

The notes on pages 20 to 43 form part of these financial statements.

**CHANNEL COMMERCIALS KENT LIMITED**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 26 NOVEMBER 2021**

	26 November 2021 £	27 November 2020 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	2,034,044	1,215,545
<b>Adjustments for:</b>		
Amortisation of intangible assets	141,051	141,051
Depreciation of tangible assets	4,245,039	3,718,476
Profit on disposal of tangible assets	(420,394)	(199,047)
Interest payable	527,925	519,801
Interest receivable	-	(208)
Taxation charge	724,296	384,172
Decrease/(increase) in stocks	845,572	(788,564)
(Increase) in debtors	(703,879)	(420,697)
(Decrease)/increase in creditors	(1,179,828)	1,618,727
Corporation tax (paid)	(453,596)	(228,920)
<b>Net cash generated from operating activities</b>	<b>5,760,230</b>	<b>5,960,336</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(496,313)	(40,649)
Sale of tangible fixed assets	1,393,579	1,317,268
Interest received	-	208
<b>Net cash from investing activities</b>	<b>897,266</b>	<b>1,276,827</b>
<b>Cash flows from financing activities</b>		
New secured loans	-	2,500,000
Repayment of loans	(41,667)	(422,663)
Repayment of finance leases and hire purchase liabilities	(5,197,267)	(5,068,353)
Dividends paid	(990,582)	(1,011,294)
Bank interest paid	(66,197)	(31,922)
Stock funding interest paid	(124,758)	(105,228)
Hire purchase interest paid	(336,970)	(382,651)
<b>Net cash used in financing activities</b>	<b>(6,757,441)</b>	<b>(4,522,111)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(99,945)</b>	<b>2,715,052</b>
Cash and cash equivalents at beginning of year	4,235,819	1,520,767
<b>Cash and cash equivalents at the end of year</b>	<b>4,135,874</b>	<b>4,235,819</b>

**CHANNEL COMMERCIALS KENT LIMITED**

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)  
FOR THE YEAR ENDED 26 NOVEMBER 2021**

	<b>26 November 2021</b>	<i>27 November 2020</i>
	£	£
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	4,135,874	4,235,819
	<b>4,135,874</b>	<i>4,235,819</i>
	<b>4,135,874</b>	<i>4,235,819</i>

**CONSOLIDATED ANALYSIS OF NET DEBT  
FOR THE YEAR ENDED 26 NOVEMBER 2021**

	<b>At 28 November 2020</b>	<b>Cash flows</b>	<b>New finance leases</b>	<b>Other non- cash changes</b>	<b>At 26 November 2021</b>
	£	£	£	£	£
Cash at bank and in hand	4,235,819	(99,945)	-	-	4,135,874
Debt due after 1 year	(2,416,666)	-	-	166,666	(2,250,000)
Debt due within 1 year	(83,334)	41,667	-	(166,666)	(208,333)
Finance leases	(10,167,653)	5,197,267	(6,774,859)	-	(11,745,245)
	<b>(8,431,834)</b>	<b>5,138,989</b>	<b>(6,774,859)</b>	<b>-</b>	<b>(10,067,704)</b>
	<b>(8,431,834)</b>	<b>5,138,989</b>	<b>(6,774,859)</b>	<b>-</b>	<b>(10,067,704)</b>

The notes on pages 20 to 43 form part of these financial statements.

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## CHANNEL COMMERCIALS KENT LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 26 NOVEMBER 2021

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#### 1. General information

The principal activity of the company during the year was that of a holding company.

The principal activity of the group is the sale and service of commercial vehicles and the hire of vehicles on maintenance contracts.

The company is a private limited company which is limited by shares and incorporated and registered in England and Wales (06003755). The address of the registered office is:

Cobbs Wood Industrial Estate  
Brunswick Road  
Ashford  
Kent  
TN23 1EH

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The company's functional and presentational currency is GBP.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

The following principal accounting policies have been applied:

##### 2.2 Basis of consolidation

The consolidated financial statements present the results of the company and its own subsidiaries ("the group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

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## CHANNEL COMMERCIALS KENT LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 26 NOVEMBER 2021

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#### 2. Accounting policies (continued)

##### 2.3 Going concern

Company law requires the directors to consider the appropriateness of the going concern basis when preparing the financial statements. The directors confirm that they consider that the going concern basis remains appropriate due to the fact that the directors believe that the group has sufficient resources to continue in operational existence for the foreseeable future on the basis of existing financing facilities.

Throughout 2021, business in general has remained buoyant, despite challenges presented by the Covid pandemic. Currently parts and service revenues are growing and the vehicle sales order book is full for 2022, with advance vehicle orders for 2023 being taken now. Based on this, the group's performance for the next two years looks to be similar to 2021. The directors therefore continue to adopt the going concern basis in preparing the group's financial statements.

##### 2.4 Turnover

The group's turnover represents the value, excluding value added tax, of goods and services supplied to customers during the year:

Vehicle sales – Revenue from the sale of commercial vehicles is recognised when the vehicle has been delivered.

Servicing of vehicles – Once a vehicle has been serviced or repaired the cost is collated and charged to the customer at commercial rates. The revenue is recognised in the same period as the costs incurred.

Sale of parts – Revenue for the sale of parts is recognised at the point of invoice, and discount is applied at the point of sale. The invoice is raised at the point the goods are transferred to the customer. Some items are returned and revenue is adjusted when the customer credit note is created.

Hire of vehicles – The company hires vehicles to customers on long term hire of between 1 and 7 years. Revenue is invoiced and recognised on a monthly basis throughout the lease term.

Service and repair and maintenance contracts – Revenue from such contracts is recognised each month over the term of the contract when the customer is invoiced.

##### 2.5 Operating leases

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

##### 2.6 Finance costs

Finance costs are charged to profit or loss 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.

##### 2.7 Interest income

Interest income is recognised in profit or loss using the effective interest method.



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## CHANNEL COMMERCIALS KENT LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 26 NOVEMBER 2021

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#### 2. Accounting policies (continued)

##### 2.8 Pensions

###### Defined contribution pension plan

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

The contributions are recognised as an expense in profit or loss 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 Group in independently administered funds.

##### 2.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

##### 2.10 Intangible assets

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the consolidated statement of comprehensive income over its useful economic life of ten years.

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## CHANNEL COMMERCIALS KENT LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 26 NOVEMBER 2021

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#### 2. Accounting policies (continued)

##### 2.11 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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	- 2.5% per annum
Short term leasehold property	- Over the remaining life of the lease
Plant and machinery	- 10% to 20% per annum
Motor and hire vehicles	- over the life of the hire agreement
Fixtures and fittings	- 10% to 20% per annum

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 in profit or loss.

##### 2.12 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

##### 2.13 Stocks

Stocks are stated at the lower of cost and net realisable value, after making due allowances for obsolete and slow-moving stocks.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the consolidated statement of comprehensive income.

##### 2.14 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.

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## CHANNEL COMMERCIALS KENT LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 26 NOVEMBER 2021

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#### 2. Accounting policies (continued)

##### 2.15 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. 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.

In the consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

##### 2.16 Financial instruments

The group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans to related parties.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

##### 2.17 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.

##### 2.18 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated statement of comprehensive income in the same period as the related expenditure.

##### 2.19 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

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**CHANNEL COMMERCIALS KENT LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 26 NOVEMBER 2021**

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**2. Accounting policies (continued)**

**2.20 Holiday pay accrual**

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

**2.21 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders.

**3. Judgements in applying accounting policies and key sources of estimation uncertainty**

The group may be required to make estimates and assumptions concerning the future. These estimates and judgements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The principal areas where judgement was exercised are as follows:

Recoverability of trade debtors: the directors annually assess whether a bad debt provision is required for any bad or doubtful debtor balances.

Stock provisions: the directors regularly assess the quality and age of stock and will make necessary provisions based on the net realisable value of the stock held.

Tangible fixed assets: the directors annually assess both the residual value of these assets and the expected useful life of such assets which is currently judged to be up to 40 years, based on experience.

Goodwill: the directors annually assess the carrying value of goodwill for any indicators of impairment.

Investments: the directors annually assess the carrying value of investments for any indicators of impairment.

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CHANNEL COMMERCIALS KENT LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 26 NOVEMBER 2021

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4. Turnover

An analysis of turnover by class of business is as follows:

	2021 £	2020 £
Vehicle sales	30,380,862	22,489,868
Servicing of vehicles	11,248,469	10,566,768
Parts sales	12,938,933	11,408,549
Hire of vehicles	5,934,808	5,078,751
Service and repairs and maintenance contracts	915,888	827,314
	<u>61,418,960</u>	<u>50,371,250</u>

All turnover arose within the United Kingdom.

5. Other operating income

	2021 £	2020 £
Government grants receivable	<u>18,508</u>	<u>441,987</u>

Following the Covid-19 outbreak in March 2020, the company took advantage of the UK Government's Coronavirus Job Retention Scheme and furloughed a number of its staff. Income received from the scheme in the year amounted to £18,508 (2020 - £441,987).

6. Operating profit

The operating profit is stated after charging:

	2021 £	2020 £
Depreciation of tangible assets	4,245,039	3,718,476
Amortisation of intangible assets	141,051	141,051
Operating lease rentals - motor vehicles and equipment	79,697	74,270
Operating lease rentals - land and buildings	<u>341,837</u>	<u>327,373</u>

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**CHANNEL COMMERCIALS KENT LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 26 NOVEMBER 2021**

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**7. Auditor's remuneration**

	2021 £	2020 £
<b>Fees payable to the group's auditor in respect of:</b>		
Audit of the financial statements	38,500	36,700
Corporation tax compliance services	6,850	6,200
Other services	1,140	250
	<b>46,490</b>	<b>43,150</b>
	<b>46,490</b>	<b>43,150</b>

**8. Employees**

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

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Wages and salaries	7,545,304	7,323,226	-	-
Social security costs	748,471	696,980	-	-
Cost of defined contribution scheme	201,269	160,301	-	-
	<b>8,495,044</b>	<b>8,180,507</b>	-	-
	<b>8,495,044</b>	<b>8,180,507</b>	-	-

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

	2021 No.	2020 No.
Parts, service and sales	190	195
Administration	23	22
	<b>213</b>	<b>217</b>
	<b>213</b>	<b>217</b>

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CHANNEL COMMERCIALS KENT LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 26 NOVEMBER 2021

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9. Directors' remuneration

	2021 £	2020 £
Directors' emoluments	134,805	138,883
Company contributions to defined contribution pension schemes	7,910	7,883
	<u>142,715</u>	<u>146,766</u>

During the year retirement benefits were accruing to 6 directors (2020 - 6) in respect of defined contribution pension schemes.

During the year the company paid £6,659 (2020 - £6,659) in respect of employer's national insurance due on directors' remuneration.

10. Interest receivable

	2021 £	2020 £
Other interest receivable	-	208
	<u>-</u>	<u>208</u>

11. Interest payable and similar expenses

	2021 £	2020 £
Bank interest payable	11,235	29,368
Bank loan interest payable	54,962	20,554
	<u>66,197</u>	<u>49,922</u>

Included within cost of sales is stock funding interest of £124,758 (2020 - £105,228) and hire purchase interest of £336,970 (2020 - £379,837).

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CHANNEL COMMERCIALS KENT LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 26 NOVEMBER 2021

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12. Taxation

	2021 £	2020 £
<b>Corporation tax</b>		
Current tax on profits for the year	513,361	313,512
Adjustments in respect of previous periods	-	(4,834)
<b>Total current tax</b>	<u>513,361</u>	<u>308,678</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	44,584	24,226
Adjustments in respect of prior years	-	(1,632)
Effect of tax rate change on opening balance	166,351	52,900
<b>Total deferred tax</b>	<u>210,935</u>	<u>75,494</u>
<b>Taxation on profit on ordinary activities</b>	<u><u>724,296</u></u>	<u><u>384,172</u></u>



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CHANNEL COMMERCIALS KENT LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 26 NOVEMBER 2021

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12. Taxation (continued)

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2020 - *higher than*) the standard rate of corporation tax in the UK of 19.00% (2020 - 19.00%). The differences are explained below:

	2021 £	2020 £
Profit on ordinary activities before tax	<u>2,758,339</u>	<u>1,599,717</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2020 - 19.00%)	524,085	303,946
<b>Effects of:</b>		
Depreciation on assets not qualifying for capital allowances	5,877	6,075
Capital allowances super-deduction	(7,254)	-
Amortisation of goodwill not tax deductible	26,800	26,800
Expenses not deductible for tax purposes	3,540	6,719
Deferred tax movement on fair value adjustment to freehold property	(7,635)	(5,802)
Revaluation of opening deferred tax balance	166,351	52,900
Adjustment in respect of prior periods	-	(6,466)
Adjust deferred tax to standard corporation tax rate	12,532	-
<b>Total tax charge for the year</b>	<u><u>724,296</u></u>	<u><u>384,172</u></u>

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CHANNEL COMMERCIALS KENT LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 26 NOVEMBER 2021

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13. Dividends

	26 November 2021 £	27 November 2020 £
<b>Ordinary A</b>		
Interim dividends paid	429,294	429,294
Final dividends paid	330,000	330,000
	<u>759,294</u>	<u>759,294</u>
<b>Preference</b>		
Dividends paid	252,000	252,000
	<u>252,000</u>	<u>252,000</u>
	<u><u>1,011,294</u></u>	<u><u>1,011,294</u></u>

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CHANNEL COMMERCIALS KENT LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 26 NOVEMBER 2021

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14. Intangible assets

Group

	Goodwill £
<b>Cost</b>	
At 28 November 2020	2,104,110
At 26 November 2021	<u>2,104,110</u>
<b>Amortisation</b>	
At 28 November 2020	1,539,906
Charge for the year on owned assets	141,051
At 26 November 2021	<u>1,680,957</u>
<b>Net book value</b>	
At 26 November 2021	<u>423,153</u>
At 27 November 2020	<u>564,204</u>

**CHANNEL COMMERCIALS KENT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 26 NOVEMBER 2021**

**15. Tangible fixed assets**

**Group**

	Freehold property £	Short term leasehold property £	Plant and machinery £	Motor and hire vehicles £	Fixtures and fittings £
<b>Cost or valuation</b>					
At 28 November 2020	3,576,187	79,162	2,115,617	21,727,646	659,164
Additions	-	-	51,707	7,215,119	4,346
Disposals	-	-	-	(4,201,153)	-
At 26 November 2021	<u>3,576,187</u>	<u>79,162</u>	<u>2,167,324</u>	<u>24,741,612</u>	<u>663,510</u>
<b>Depreciation</b>					
At 28 November 2020	437,279	79,162	1,736,950	10,459,230	630,265
Charge for the year on owned assets	30,538	-	89,979	1,049,244	5,360
Charge for the year on financed assets	-	-	8,135	3,061,783	-
Disposals	-	-	-	(3,227,968)	-
At 26 November 2021	<u>467,817</u>	<u>79,162</u>	<u>1,835,064</u>	<u>11,342,289</u>	<u>635,625</u>
<b>Net book value</b>					
At 26 November 2021	<u>3,108,370</u>	<u>-</u>	<u>332,260</u>	<u>13,399,323</u>	<u>27,885</u>
At 27 November 2020	<u>3,138,908</u>	<u>-</u>	<u>378,667</u>	<u>11,268,416</u>	<u>28,899</u>

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CHANNEL COMMERCIALS KENT LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 26 NOVEMBER 2021

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15. Tangible fixed assets (continued)

	Total £
<b>Cost or valuation</b>	
At 28 November 2020	28,157,776
Additions	7,271,172
Disposals	(4,201,153)
At 26 November 2021	<u>31,227,795</u>
<b>Depreciation</b>	
At 28 November 2020	13,342,886
Charge for the year on owned assets	1,175,121
Charge for the year on financed assets	3,069,918
Disposals	(3,227,968)
At 26 November 2021	<u>14,359,957</u>
<b>Net book value</b>	
At 26 November 2021	<u>16,867,838</u>
At 27 November 2020	<u>14,814,890</u>

Included within the value of freehold property is land valued at £2,354,663 (2020 - £2,354,663) which is not depreciated.

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**CHANNEL COMMERCIALS KENT LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 26 NOVEMBER 2021**

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**15. Tangible fixed assets (continued)**

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

	<b>26 November 2021 £</b>	<i>27 November 2020 £</i>
Plant and machinery	<b>63,484</b>	<i>147,693</i>
Motor vehicles	<b>11,953,022</b>	<i>6,903,766</i>
	<b><u>12,016,506</u></b>	<i><u>7,051,459</u></i>

**16. Fixed asset investments**

**Company**

	<b>Investments in subsidiary companies £</b>
<b>Cost or valuation</b>	
At 28 November 2020	<b>7,488,531</b>
At 26 November 2021	<b><u>7,488,531</u></b>

**Subsidiary undertakings**

The following were subsidiary undertakings of the company:

<b>Name</b>	<b>Class of shares</b>	<b>Holding</b>
Channel Commercials Holdings Limited	Ordinary	100%
Channel Commercials Plc (indirect subsidiary)	Ordinary	100%

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**CHANNEL COMMERCIALS KENT LIMITED**

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**16. Fixed asset investments (continued)**

**Subsidiary undertakings (continued)**

The aggregate of the share capital and reserves as at 26 November 2021 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

<b>Name</b>	<b>Aggregate of share capital and reserves £</b>	<b>Profit/(Loss) £</b>
Channel Commercials Holdings Limited	415,067	4,719,393
Channel Commercials Plc	4,960,993	2,117,707

The address of the registered office of both Channel Commercials Holdings Limited and Channel Commercials Plc is:

Cobbs Wood Industrial Estate  
Brunswick Road  
Ashford  
Kent  
TN231EH

**17. Stocks**

	<b>Group 26 November 2021 £</b>	<i>Group 27 November 2020 £</i>
Raw materials and consumables	2,206,136	1,674,265
Finished goods and goods for resale	6,089,248	7,466,691
	<u>8,295,384</u>	<u>9,140,956</u>

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18. Debtors

	<b>Group 26 November 2021 £</b>	<i>Group 27 November 2020 £</i>	<b>Company 26 November 2021 £</b>	<i>Company 27 November 2020 £</i>
Trade debtors	4,885,559	4,436,444	-	-
Amounts owed by group undertakings	-	-	12,200,333	7,742,000
Other debtors	171,968	135,370	-	-
Prepayments and accrued income	874,526	646,243	-	-
	<u>5,932,053</u>	<u>5,218,057</u>	<u>12,200,333</u>	<u>7,742,000</u>

19. Cash and cash equivalents

	<b>Group 26 November 2021 £</b>	<i>Group 27 November 2020 £</i>
Cash at bank and in hand	<u>4,135,874</u>	<u>4,235,819</u>



**CHANNEL COMMERCIALS KENT LIMITED**

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**20. Creditors: Amounts falling due within one year**

	<b>Group 26 November 2021 £</b>	<i>Group 27 November 2020 £</i>	<b>Company 26 November 2021 £</b>	<i>Company 27 November 2020 £</i>
Bank loans	208,333	83,334	208,333	83,334
Trade creditors	9,914,969	11,201,270	-	-
Amounts owed to group undertakings	-	-	10,180,749	9,135,205
Corporation tax	213,235	143,353	-	-
Other taxation and social security	419,418	454,941	-	-
Obligations under finance lease and hire purchase contracts	4,164,241	4,221,009	-	-
Other creditors	20,712	-	20,712	-
Accruals and deferred income	2,897,458	2,755,462	-	-
	<b>17,838,366</b>	<i>18,859,369</i>	<b>10,409,794</b>	<i>9,218,539</i>

The bank loan is secured by a fixed and floating charge over the undertaking and all property and assets. In addition there is an inter-company guarantee between Channel Commercials Kent Limited, Channel Commercial Holdings Limited and Channel Commercials Plc.

There is a subordination agreement between Royal Bank of Scotland (RBS), Channel Commercials Kent Limited and subordination creditors, AR Chudleigh and RS Stupple. Subordination creditors rank behind RBS.

Obligations under finance leases and hire purchase contracts are secured upon the assets to which they relate.

**21. Creditors: Amounts falling due after more than one year**

	<b>Group 26 November 2021 £</b>	<i>Group 27 November 2020 £</i>	<b>Company 26 November 2021 £</b>	<i>Company 27 November 2020 £</i>
Bank loans	2,250,000	2,416,666	2,250,000	2,416,666
Net obligations under finance leases and hire purchase contracts	7,581,004	5,946,644	-	-
	<b>9,831,004</b>	<i>8,363,310</i>	<b>2,250,000</b>	<i>2,416,666</i>

**CHANNEL COMMERCIALS KENT LIMITED**

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**22. Loans**

	<b>Group 26 November 2021 £</b>	<i>Group 27 November 2020 £</i>	<b>Company 26 November 2021 £</b>	<i>Company 27 November 2020 £</i>
<b>Amounts falling due within one year</b>				
Bank loans	<b>208,333</b>	<i>83,334</i>	<b>208,333</b>	<i>83,334</i>
<b>Amounts falling due 1-2 years</b>				
Bank loans	<b>166,667</b>	<i>166,666</i>	<b>166,667</b>	<i>166,666</i>
<b>Amounts falling due 2-5 years</b>				
Bank loans	<b>2,083,333</b>	<i>500,000</i>	<b>2,083,333</b>	<i>500,000</i>
<b>Amounts falling due after more than 5 years</b>				
Bank loans	<b>-</b>	<i>1,750,000</i>	<b>-</b>	<i>1,750,000</i>
	<b>2,458,333</b>	<i>2,500,000</i>	<b>2,458,333</b>	<i>2,500,000</i>

The bank loan is repayable in installments over a 6 year period, commencing 15 months from the drawdown of the loan. A bullet repayment of £1,078,333 is due in May 2026. Interest is payable on the loan at a rate of 2.1% above the Bank of England base rate.

**23. Hire purchase and finance leases**

Minimum lease payments under hire purchase fall due as follows:

	<b>Group 26 November 2021 £</b>	<i>Group 27 November 2020 £</i>
Within one year	<b>4,164,241</b>	<i>4,221,009</i>
Between 1-5 years	<b>7,581,004</b>	<i>5,868,455</i>
Over 5 years	<b>-</b>	<i>78,189</i>
	<b>11,745,245</b>	<i>10,167,653</i>

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**24. Financial instruments**

	<b>Group 26 November 2021 £</b>	<i>Group 27 November 2020 £</i>	<b>Company 26 November 2021 £</b>	<i>Company 27 November 2020 £</i>
<b>Financial assets</b>				
Financial assets measured at amortised cost	<u><b>9,193,401</b></u>	<u><i>8,807,633</i></u>	<u><b>12,200,333</b></u>	<u><i>7,742,000</i></u>
<b>Financial liabilities</b>				
Financial liabilities measured at amortised cost	<u><b>(15,291,472)</b></u>	<u><i>(16,456,732)</i></u>	<u><b>(12,659,794)</b></u>	<u><i>(11,635,205)</i></u>

Financial assets that are measured at amortised cost comprise trade debtors, other debtors, amounts owed by group undertakings and cash at bank and in hand.

Financial liabilities measured at amortised cost comprise bank overdrafts, bank loans, trade creditors, amounts owed to group undertakings, other creditors and accruals.

**25. Deferred taxation**

**Group**

	<b>2021 £</b>	<i>2020 £</i>
At beginning of year	<b>(526,778)</b>	<i>(451,284)</i>
(Charged)/credited to profit or loss	<b>(210,935)</b>	<i>(75,494)</i>
<b>At end of year</b>	<u><b>(737,713)</b></u>	<u><i>(526,778)</i></u>

The provision for deferred taxation is made up as follows:

	<b>Group 26 November 2021 £</b>	<i>Group 27 November 2020 £</i>
Accelerated capital allowances	<b>(362,316)</b>	<i>(235,452)</i>
Deferred tax on revalued property	<b>(378,885)</b>	<i>(293,755)</i>
Short term timing differences	<b>3,488</b>	<i>2,429</i>
	<u><b>(737,713)</b></u>	<u><i>(526,778)</i></u>

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CHANNEL COMMERCIALS KENT LIMITED

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26. Share capital

	26 November 2021 £	27 November 2020 £
<b>Allotted, called up and fully paid</b>		
300,000 (2020 - 300,000) Ordinary A shares of £1.00 each	300,000	300,000
3,150,000 (2020 - 3,150,000) Preference shares of £1.00 each	3,150,000	3,150,000
	<u>3,450,000</u>	<u>3,450,000</u>

The preference shares are entitled to a 'cumulative net cash preferential dividend' calculated at 3.5% above the Base Rate per annum, subject always to a minimum total rate of 8% per annum and a maximum total rate of 9.5% per annum and from 16 December 2026 a rate equal to 8.5% per annum above Base Rate subject always to a minimum total rate of 13% per annum and a maximum total rate of 14.5% per annum.

Dividends on ordinary shares are paid at the discretion of the directors subject to the availability of cash and distributable reserves. The shares are redeemable at the discretion of the company.

27. Reserves

**Capital redemption reserve**

Represents the nominal value of shares that have been repurchased by the company.

**Profit & loss account**

Represents accumulated profits and losses since date of incorporation less distributions to shareholders.

28. Capital commitments

At 26 November 2021 the Group and company had capital commitments as follows:

	Group 26 November 2021 £	Group 27 November 2020 £
Contracted for but not provided in these financial statements	<u>90,568</u>	<u>109,090</u>

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CHANNEL COMMERCIALS KENT LIMITED

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**29. Pension commitments**

The group operates a defined contribution (money purchase) scheme and makes contributions to the scheme on behalf of its employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension costs charge represents contributions payable by the group to the fund and amounts to £260,269 (2020 - £160,301). At 30 November 2021 contributions totalling £35,295 (2020 - £32,679) were included within creditors.

**30. Commitments under operating leases**

At 26 November 2021 the Group and the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	<b>Group 26 November 2021 £</b>	<i>Group 27 November 2020 £</i>
<b>Land and buildings</b>		
Not later than 1 year	577,771	379,680
Later than 1 year and not later than 5 years	1,109,453	1,280,188
Later than 5 years	260,283	347,583
	<u>1,947,507</u>	<u>2,007,451</u>

	<b>Group 26 November 2021 £</b>	<i>Group 27 November 2020 £</i>
<b>Motor vehicles and equipment</b>		
Not later than 1 year	65,306	54,510
Later than 1 year and not later than 5 years	60,839	34,167
	<u>126,145</u>	<u>88,677</u>

**31. Other financial commitments**

The Royal Bank of Scotland Group plc holds an unscheduled mortgage debenture on the freehold property of the group. At the balance sheet date, an amount of £2,458,333 (2020 - £2,500,000) was owed to The Royal Bank of Scotland Group plc.

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**CHANNEL COMMERCIALS KENT LIMITED**

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**32. Related party transactions**

Exemption from disclosing transactions with other group companies has been claimed in accordance with Section 33 of FRS 102, where subsidiaries are wholly owned and their results are included within these financial statements.

During the year the directors received dividends totalling £759,294 (2020 - £759,294). No amounts were outstanding at the balance sheet date.

The directors are considered to be the key management personnel of the business. Details of their remuneration is included within note 9 of these financial statements.

**33. Controlling party**

The directors, by virtue of their shareholdings, are of the opinion that there is no ultimate controlling party.