

Company registration number NI064810 (Northern Ireland)

ASAP CARGO LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023

ASAP CARGO LTD

COMPANY INFORMATION

Directors	Mr M Adamson Mr S Davidson Mr C Gilbert (Appointed 18 December 2023)
Secretary	Mrs J Adamson
Company number	NI064810
Registered office	Larne Logistics Park Drumahoe Road Millbrook Larne BT40 2SN
Accountant	Exchange Accountants Limited Chartered Certified Accountants Oakmont House 2 Queens Road Lisburn BT27 4TZ
Auditor	GMcG Lisburn Century House 40 Crescent Business Park Lisburn BT28 2GN
Business address	Larne Logistics Park Drumahoe Road Millbrook Larne BT40 2SN
Bankers	Danske Bank Donegall Square West Belfast BT1 6JS
Solicitors	McCartan Turkington Breen Northern Court 16-18 Gloucester Street Belfast BT1 4LS

ASAP CARGO LTD

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ASAP CARGO LTD

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MAY 2023

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

Review of the business

The directors aim to present a balanced and comprehensive review of the development and performance during the period and its position as at 31 May 2023. The directors' review is consistent with the size and nature of the business and is written in the context of the risks and uncertainties the company faces.

The directors consider the key performance indicators are those that communicate the financial performance and strength of the company as a whole, with these being turnover, gross profit margin, operating profit and net assets.

The directors are satisfied with the results for the year which has seen an increase in turnover of 11.59% in the year from £11.3m in 2022 to £12.6m, generating a gross profit of £3.9m (2022 - £3.2m) at a gross profit margin of 31% (2022 - 28%). Operating profit for the year has increased from £1.52m in 2022 to £1.87m.

The company continues to have a strong cash flow and a continued strong net asset position of £3.15m (2022 - £2.75m).

Principal risks and uncertainties

The directors consider that the principal risks and uncertainties facing the company are:

Economic Risk

The impact of:

- Rises in interest rates and inflation increases;
- Wage inflation and sub-contractor costs;
- Fuel and road user costs and legislation; and

The directors work closely with suppliers, customers and advisors to carefully manage these risks.

Competition Risk

Competition risk is managed through close attention to customer service, continued investment in equipment and the provision of quality services.

Foreign Exchange risk

As the company operates within the European Union it is susceptible to movements in foreign currency rates primarily regarding the Euro. The company manages foreign exchange risk by continuing to work closely with the company's foreign exchange advisers.

Future developments

The directors plan to continue to develop their core freight forwarding business. The directors are committed to continued capital investment and customer focus, to ensure they remain at the forefront of freight forwarding in the UK and Ireland.

By order of the board

Mr M Adamson
Director

26 February 2024

ASAP CARGO LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MAY 2023

The directors present their annual report and financial statements for the year ended 31 May 2023.

Principal activities

The principal activity of the company continued to be that of freight forwarding.

Results and dividends

The results for the year are set out on page 10.

Ordinary dividends were paid amounting to £1,026,000. The directors do not recommend payment of a final dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr M Adamson

Mr S Davidson

Mr C Gilbert

(Appointed 18 December 2023)

Auditor

GMcG Lisburn were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006.

Statement of directors' responsibilities

The directors are responsible for preparing the annual report 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.

ASAP CARGO LTD

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Medium-sized companies exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the medium-sized companies exemption.

On behalf of the board

Mr M Adamson

Director

26 February 2024

ASAP CARGO LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF ASAP CARGO LTD

Opinion

We have audited the financial statements of ASAP Cargo Ltd (the 'company') for the year ended 31 May 2023 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including 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 May 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 *Auditor's 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.

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For further information, please contact the company secretary or the company's financial reporting officer.

For more information on our services, please visit our website at www.gmcga.com.

Registered Office: 19 Alfred Street, Belfast, BT12 8LQ
Registered in the UK and Ireland under Companies Act 2006

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ASAP CARGO LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF ASAP CARGO LTD

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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the 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 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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, 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 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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Our registered office is at 19 Alfred Street, Belfast, BT12 8LQ.

Registered in the Companies Register of Northern Ireland
No. 06000000000000000000000000000000

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INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF ASAP CARGO LTD

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 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.

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 financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

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The audit was carried out in accordance with the audit procedures set out in the audit report.

The audit was carried out in accordance with the audit procedures set out in the audit report.

For and on behalf of the auditor, the company secretary,
The company secretary is responsible for the preparation of the financial statements.

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ASAP CARGO LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF ASAP CARGO LTD

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing potential risks of material misstatement in respect of irregularities, including fraud and non-compliances with laws and regulations, we considered the following:

- The nature of the industry and sector, control environment and business performance, including the company's remuneration policies for directors, bonus levels and performance targets, if any;
- Results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- Any matters we identified having obtained and reviewed the company's documentation of their policies and procedures relating to:
 - Identifying, evaluating and complying with laws and regulations and whether they were aware of any instance of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - The internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- The matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the company for fraud and identified the greatest potential for fraud in income recognition. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Companies Act 2006, and local tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

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For further information, please contact the audit engagement partner, Mr. [Name], at the above address.

The audit engagement partner is responsible for the audit and for the audit report.

For more information, please contact the audit engagement partner, Mr. [Name], at the above address.

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ASAP CARGO LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF ASAP CARGO LTD

Audit response to risks identified

Our procedures to respond to the risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Enquiring of management concerning actual and potential litigation and claims;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reading minutes of meetings of those charged with governance and reviewing correspondence with tax authorities; and
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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. In addition, as with any audit, there remains a higher risk of non-detection of irregularities, as they may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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Our services are provided to you by the member of GMCGA to whom you have referred this report.

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ASAP CARGO LTD

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBER OF ASAP CARGO LTD**

Other matter - Scope of audit

The comparative financial statements for the year ended 31 May 2022 were unaudited.

Use of our report

This report is made solely to the company's member 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 member those matters we are required to state to the member 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 member, for our audit work, for this report, or for the opinions we have formed.

**Mr Stephen Houston FCA
Senior Statutory Auditor
For and on behalf of GM^cG Lisburn**

26 February 2024

**Chartered Accountants
Statutory Auditor**

Century House
40 Crescent Business Park
Lisburn
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ASAP CARGO LTD**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MAY 2023**

	Notes	2023 £	2022 £
Turnover	3	12,614,124	11,304,135
Cost of sales		(8,712,282)	(8,140,840)
Gross profit		3,901,842	3,163,295
Administrative expenses		(2,035,205)	(1,644,501)
Operating profit	4	1,866,637	1,518,794
Interest receivable and similar income	7	113	-
Interest payable and similar expenses	8	(45,187)	(39,709)
Change in fair value of investments	9	(261)	(63,100)
Profit before taxation		1,821,302	1,415,985
Tax on profit	10	(397,458)	(369,395)
Profit for the financial year		1,423,844	1,046,590

The income statement has been prepared on the basis that all operations are continuing operations.

ASAP CARGO LTD

STATEMENT OF FINANCIAL POSITION

AS AT 31 MAY 2023

		2023		2022	
	Notes	£	£	£	£
Fixed assets					
Goodwill	12		214,035		256,842
Tangible assets	13		3,169,968		2,813,010
Investments	14		286,639		286,900
			<u>3,670,642</u>		<u>3,356,752</u>
Current assets					
Debtors	15	1,811,716		2,012,550	
Cash at bank and in hand		1,135,357		1,235,986	
		<u>2,947,073</u>		<u>3,248,536</u>	
Creditors: amounts falling due within one year	16	(2,474,445)		(2,919,567)	
Net current assets			<u>472,628</u>		<u>328,969</u>
Total assets less current liabilities			<u>4,143,270</u>		<u>3,685,721</u>
Creditors: amounts falling due after more than one year	17		(761,044)		(819,890)
Provisions for liabilities					
Deferred tax liability	20	231,367		112,816	
		<u>(231,367)</u>		<u>(112,816)</u>	
Net assets			<u><u>3,150,859</u></u>		<u><u>2,753,015</u></u>
Capital and reserves					
Called up share capital	22		1		1
Profit and loss reserves			3,150,858		2,753,014
Total equity			<u><u>3,150,859</u></u>		<u><u>2,753,015</u></u>

These financial statements have been prepared in accordance with the provisions relating to medium-sized companies.

The financial statements were approved by the board of directors and authorised for issue on 26 February 2024 and are signed on its behalf by:

Mr M Adamson
Director

Company registration number NI064810 (Northern Ireland)

ASAP CARGO LTD

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MAY 2023**

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
Balance at 1 June 2021		1	2,090,424	2,090,425
Period ended 31 May 2022:				
Profit and total comprehensive income		-	1,046,590	1,046,590
Dividends	11	-	(384,000)	(384,000)
Balance at 31 May 2022		1	2,753,014	2,753,015
Year ended 31 May 2023:				
Profit and total comprehensive income		-	1,423,844	1,423,844
Dividends	11	-	(1,026,000)	(1,026,000)
Balance at 31 May 2023		1	3,150,858	3,150,859

ASAP CARGO LTD

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MAY 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash generated from operations	27	1,872,173		2,297,600	
Interest paid		(45,187)		(39,709)	
Income taxes paid		(257,186)		(217,344)	
Net cash inflow from operating activities		1,569,800		2,040,547	
Investing activities					
Purchase of tangible fixed assets		(294,066)		(919,410)	
Purchase of investments		-		(350,000)	
Interest received		113		-	
Net cash used in investing activities		(293,953)		(1,269,410)	
Financing activities					
Repayment of bank loans		(196,944)		(191,522)	
Payment of finance leases obligations		(135,708)		(29,835)	
Dividends paid		(1,026,000)		(384,000)	
Net cash used in financing activities		(1,358,652)		(605,357)	
Net (decrease)/increase in cash and cash equivalents		(82,805)		165,780	
Cash and cash equivalents at beginning of year		1,218,162		1,052,382	
Cash and cash equivalents at end of year		1,135,357		1,218,162	
Relating to:					
Cash at bank and in hand		1,135,357		1,235,986	
Bank overdrafts included in creditors payable within one year		-		(17,824)	

ASAP CARGO LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2023

1 Accounting policies

Company information

ASAP Cargo Ltd is a private company limited by shares incorporated in Northern Ireland. The registered office is Larne Logistics Park, Drumahoe Road, Millbrook, Larne, BT40 2SN.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

1.4 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

ASAP CARGO LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2023

1 Accounting policies (Continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings	10% straight line
Leasehold improvements	10% straight line
Plant and equipment	10% straight line
Fixtures and fittings	20% reducing balance
Motor vehicles	10% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in the profit and loss for the year. Transaction costs are expensed as incurred.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

ASAP CARGO LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2023

1 Accounting policies (Continued)

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

ASAP CARGO LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2023

1 Accounting policies (Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

ASAP CARGO LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2023

1 Accounting policies (Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

ASAP CARGO LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2023

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Fixed assets

The annual depreciation charge on fixed assets depends primarily on the estimated lives of each type of asset and estimates of residual values. The directors regularly review these assets lives and change them as necessary to reflect current thinking on remaining lives in light of prospective economic utilisation and physical condition of assets concerned. Changes in assets lives can have a significant impact on depreciation and amortisation charges for the period. Detail of the useful lives is included in the accounting policies.

Taxation

Judgements are made in relation to the calculation of certain aspects of the year end tax provisions and the respective tax charge. The management used external professional advice to support the year end provisions.

3 Turnover and other revenue

	2023	2022
	£	£
Turnover analysed by class of business		
Freight	11,478,425	10,546,013
Other	1,135,699	758,122
	<u>12,614,124</u>	<u>11,304,135</u>
	2023	2022
	£	£
Turnover analysed by geographical market		
UK	11,983,419	10,738,928
Global	630,705	565,207
	<u>12,614,124</u>	<u>11,304,135</u>
	2023	2022
	£	£
Other revenue		
Interest income	113	-

ASAP CARGO LTD**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2023****4 Operating profit**

	2023	2022
	£	£
Operating profit for the year is stated after charging:		
Exchange losses	3,616	-
Fees payable to the company's auditor for the audit of the company's financial statements	6,500	-
Depreciation of owned tangible fixed assets	235,775	200,988
Depreciation of tangible fixed assets held under finance leases	9,733	7,900
Amortisation of intangible assets	42,807	171,228
Operating lease charges	170,475	79,210
	<u> </u>	<u> </u>

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2023	2022
	Number	Number
Administration	28	22
Drivers	11	10
	<u> </u>	<u> </u>
Total	39	32
	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	2023	2022
	£	£
Wages and salaries	1,375,523	990,618
Social security costs	137,003	100,971
Pension costs	76,173	63,896
	<u> </u>	<u> </u>
	1,588,699	1,155,485
	<u> </u>	<u> </u>

6 Directors' remuneration

	2023	2022
	£	£
Remuneration for qualifying services	117,196	76,650
Company pension contributions to defined contribution schemes	8,020	8,020
	<u> </u>	<u> </u>
	125,216	84,670
	<u> </u>	<u> </u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2022 - 2).

ASAP CARGO LTD**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2023**

<hr/>		
7	Interest receivable and similar income	
	2023	2022
	£	£
	Interest income	
	Interest on bank deposits	
	113	-
	<u>113</u>	<u>-</u>
	2023	2022
	£	£
	Investment income includes the following:	
	Interest on financial assets not measured at fair value through profit or loss	
	113	-
	<u>113</u>	<u>-</u>
8	Interest payable and similar expenses	
	2023	2022
	£	£
	Interest on financial liabilities measured at amortised cost:	
	Interest on bank overdrafts and loans	
	42,138	36,688
	Other finance costs:	
	Interest on finance leases and hire purchase contracts	
	3,049	3,021
	<u>45,187</u>	<u>39,709</u>
9	Other gains and losses	
	2023	2022
	£	£
	Fair value gains/(losses) on financial instruments	
	Loss on financial assets held at fair value through profit or loss	
	(261)	(63,100)
	<u>(261)</u>	<u>(63,100)</u>

ASAP CARGO LTD**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MAY 2023****10 Taxation**

	2023	2022
	£	£
Current tax		
UK corporation tax on profits for the current period	278,907	256,579
	<u>278,907</u>	<u>256,579</u>
Deferred tax		
Origination and reversal of timing differences	82,925	112,816
Changes in tax rates	35,626	-
	<u>118,551</u>	<u>112,816</u>
Total deferred tax	118,551	112,816
	<u>118,551</u>	<u>112,816</u>
Total tax charge	397,458	369,395
	<u>397,458</u>	<u>369,395</u>

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2023	2022
	£	£
Profit before taxation	1,821,302	1,415,985
	<u>1,821,302</u>	<u>1,415,985</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2022: 19.00%)	346,047	269,037
Tax effect of expenses that are not deductible in determining taxable profit	56,015	72,222
Effect of change in corporation tax rate	13,982	-
Origination and reversal of timing differences	(54,212)	28,136
Change in tax rates	35,626	-
	<u>397,458</u>	<u>369,395</u>
Taxation charge for the year	397,458	369,395
	<u>397,458</u>	<u>369,395</u>

11 Dividends

	2023	2022
	£	£
Interim paid	1,026,000	384,000
	<u>1,026,000</u>	<u>384,000</u>

ASAP CARGO LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2023

12 Intangible fixed assets

	Goodwill £
Cost	
At 1 June 2022 and 31 May 2023	428,070
Amortisation and impairment	
At 1 June 2022	171,228
Amortisation charged for the year	42,807
At 31 May 2023	214,035
Carrying amount	
At 31 May 2023	214,035
At 31 May 2022	256,842

13 Tangible fixed assets

	Land and buildings £	Leasehold improvements £	Plant and equipment £	Fixtures and fittings £	Motor vehicles £	Total £
Cost						
At 1 June 2022	2,524,230	-	370,326	179,152	394,060	3,467,768
Additions	21,725	137,485	54,900	75,106	313,250	602,466
At 31 May 2023	2,545,955	137,485	425,226	254,258	707,310	4,070,234
Depreciation and impairment						
At 1 June 2022	304,987	-	70,547	58,379	220,845	654,758
Depreciation charged in the year	129,377	4,573	39,087	29,059	43,412	245,508
At 31 May 2023	434,364	4,573	109,634	87,438	264,257	900,266
Carrying amount						
At 31 May 2023	2,111,591	132,912	315,592	166,820	443,053	3,169,968
At 31 May 2022	2,219,243	-	299,779	120,773	173,215	2,813,010

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2023 £	2022 £
Motor vehicles	308,350	59,250

ASAP CARGO LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2023

14 Fixed asset investments

	2023 £	2022 £
Investment portfolio	286,639	286,900

Movements in fixed asset investments

	Investment portfolio £
Cost or valuation	
At 1 June 2022	286,900
Valuation changes	(261)
At 31 May 2023	286,639
Carrying amount	
At 31 May 2023	286,639
At 31 May 2022	286,900

15 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	1,763,229	1,975,716
Other debtors	9,750	-
Prepayments and accrued income	38,737	36,834
	1,811,716	2,012,550

16 Creditors: amounts falling due within one year

	Notes	2023 £	2022 £
Bank loans and overdrafts	18	188,036	198,816
Obligations under finance leases	19	45,325	17,775
Trade creditors		1,204,629	1,708,269
Corporation tax		278,907	257,186
Other taxation and social security		102,110	40,050
Other creditors		345	450
Accruals and deferred income		655,093	697,021
		2,474,445	2,919,567

ASAP CARGO LTD**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
FOR THE YEAR ENDED 31 MAY 2023**17 Creditors: amounts falling due after more than one year**

	Notes	2023 £	2022 £
Bank loans and overdrafts	18	609,977	813,965
Obligations under finance leases	19	151,067	5,925
		<u>761,044</u>	<u>819,890</u>

Amounts included above which fall due after five years are as follows:

Payable by instalments	43,984	146,129
	<u>43,984</u>	<u>146,129</u>

18 Loans and overdrafts

	2023 £	2022 £
Bank loans	798,013	994,957
Bank overdrafts	-	17,824
	<u>798,013</u>	<u>1,012,781</u>
Payable within one year	188,036	198,816
Payable after one year	609,977	813,965
	<u>609,977</u>	<u>813,965</u>

Bank facilities are secured by a floating charge over the assets of the company together with a mortgage over the property held by the company.

19 Finance lease obligations

	2023 £	2022 £
Future minimum lease payments due under finance leases:		
Within one year	45,325	17,775
In two to five years	151,067	5,925
	<u>196,392</u>	<u>23,700</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3-5 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

Included in finance leases are aggregate amounts of £196,392 (2022 - £23,700) which are secured upon the assets of the company.

ASAP CARGO LTD**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2023****20 Deferred taxation**

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2023 £	Liabilities 2022 £
Balances:		
Accelerated capital allowances	231,367	112,816
	<u>231,367</u>	<u>112,816</u>
Movements in the year:		2023 £
Liability at 1 June 2022		112,816
Charge to profit or loss		118,551
		<u>231,367</u>
Liability at 31 May 2023		<u>231,367</u>

21 Retirement benefit schemes

	2023 £	2022 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	76,173	63,896
	<u>76,173</u>	<u>63,896</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

At the year end the company had an outstanding liability of £6,327 (2022 - £nil) in relation to the defined contribution scheme.

22 Share capital

	2023 Number	2022 Number	2023 £	2022 £
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	1	1	1	1
	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

ASAP CARGO LTD**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MAY 2023****23 Operating lease commitments****Lessee**

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023 £	2022 £
Within one year	224,795	52,845
Between two and five years	1,357,103	37,811
In over five years	1,569,200	-
	<u>3,151,098</u>	<u>90,656</u>

24 Related party transactions**Remuneration of key management personnel**

Key management includes the Board of Directors of the company. The compensation paid or payable to key management for employee services is shown in note 7.

25 Directors' transactions

Dividends totalling £1,026,000 (2022 - £384,000) were paid in the year in respect of shares held by the company's directors.

26 Ultimate controlling party

The company is controlled by Mr M Adamson, a director of the company, who owns 100% of the issued share capital.

27 Cash generated from operations

	2023 £	2022 £
Profit for the year after tax	1,423,844	1,046,590
Adjustments for:		
Taxation charged	397,458	369,395
Finance costs	45,187	39,709
Investment income	(113)	-
Amortisation and impairment of intangible assets	42,807	171,228
Depreciation and impairment of tangible fixed assets	245,508	208,888
Other gains and losses	261	63,100
Movements in working capital:		
Decrease/(increase) in debtors	200,834	(450,088)
(Decrease)/increase in creditors	(483,613)	848,778
Cash generated from operations	<u>1,872,173</u>	<u>2,297,600</u>

ASAP CARGO LTD**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MAY 2023****28 Analysis of changes in net funds**

	1 June 2022	Cash flows	New finance leases	31 May 2023
	£	£	£	£
Cash at bank and in hand	1,235,986	(100,629)	-	1,135,357
Bank overdrafts	(17,824)	17,824	-	-
	<u>1,218,162</u>	<u>(82,805)</u>	<u>-</u>	<u>1,135,357</u>
Borrowings excluding overdrafts	(994,957)	196,944	-	(798,013)
Obligations under finance leases	(23,700)	135,708	(308,400)	(196,392)
	<u>199,505</u>	<u>249,847</u>	<u>(308,400)</u>	<u>140,952</u>

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