

Metro Shipping Limited

Annual Report and Financial Statements

For the year ended 31 December 2022

Company Registration No. 01487078 (England and Wales)

Metro Shipping Limited

Company Information

Directors	I R Liddell A White A P Smith G A Liddell	(Appointed 3 January 2023)
Secretary	N K Brooks	
Company number	01487078	
Registered office	2700 The Crescent Birmingham Business Park Birmingham United Kingdom B37 7YE	
Auditor	Moore Kingston Smith LLP 6th Floor 9 Appold Street London EC2A 2AP	

Metro Shipping Limited

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Metro Shipping Limited

Strategic Report

For the year ended 31 December 2022

The directors present the strategic report for the year ended 31 December 2022. The principal activity of the Company during the period was that of shipping and forwarding agents.

Business Review

The Company provides comprehensive, fully managed and operated supply chain solutions, stimulating and supporting trade around the world.

Focus is primarily on key verticals including but not limited to automotive, chemicals, foodstuffs, industrial, manufacturing and retail. Through the management of relationships and utilisation of key software we connect each part of the supply chain.

Through this diversity in customer base and commitment from the Company, we are able to avoid one dimensional market downturns and the Company has become even more valuable during difficult times and we have been able to increase the work we do for established customers, whilst constantly bringing on new clients

The directors consider the profit achieved on ordinary activities before taxation for the period to December 2022 to be particularly satisfactory given the difficult trading conditions. The Company has adequate resources to take advantage of future business opportunities and the directors consider the state of affairs to be more than satisfactory with expectations exceeded.

Turnover has increased to £284m for the 12 month period to December 2022 from £236m for the 18 month period to December 2021. The increase has arisen as global supply chains and trade has recovered post pandemic and lockdown.

We are a standout British business, with a reputation of excellence, investment and delivering on our promise and when a jobs needs doing properly, our customers can rely on us.

Whilst covid, war, escalating costs and economic downturn has affected most businesses across the world we have been able to continue to expand, as the Company is viewed as a safe and capable pair of hands.

Principal risks and uncertainties

The directors have considered the principal risks and uncertainties facing the Company and have analysed the impact these would have on the financial performance of the Company.

The Company's principal financial instruments comprise cash with strong cash flow and extremely healthy working capital management. The Company had various other financial instruments such as trade debtors and trade creditors, which arise directly from its operations. The Company does not enter into derivative transactions.

It is, and has been throughout the period under review, the Company's policy that no trading in financial instruments shall be undertaken. The main risks arising from the Company's financial instruments are liquidity risk, foreign currency risk and credit risk. The board reviews and agrees policies for management each of these risks and they are summarised below.

Metro Shipping Limited

Strategic Report (Continued)

For the year ended 31 December 2022

Geopolitical risks

The Company is a global supplier of logistics and supply chain solutions, and as such, it is exposed to risk factors in various parts of the world. In so far as is possible the Company mitigates these risks by not being overly reliant on business for any one specific region of the world or one trade vertical.

Foreign Currency Risk

The Company operates in the UK but can be exposed in its trading operations to the risk of changes in foreign currency exchange rates. The Company has decided not to use derivative instruments in its management of this risk.

Credit risk

The Company trades with only recognised creditworthy third parties. It is Company policy that all customers who wish to trade on credit terms are subject to credit vetting procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad is not significant.

Commercial risks

The Company has exposure to commercial risks. Recently these have included above inflationary costs in a number of areas including utility bills, fuel prices, wages and increased volatility in foreign exchange rates. These are management and monitored on an ongoing basis and are passed on to clients where necessary.

Financial Key Performance Indicators

The Company's key performance indicators are turnover and profit before tax as set out in the Statement of Comprehensive Income.

The Company has reported a 21% increase in turnover for the period to Dec 22.

The Company reported a 46% increase in profit before tax for the period to Dec 22

Other Key Performance indicators

The Company's other key performance indicators include customer satisfaction reviews, client retention and growth reviews.

The Company's key account teams perform regular appraisals with customers as well as an annual customer satisfaction survey to measure these KPIs. All growth for the year ending December 22 has been organic growth with the customer's customers and partners.

Metro Shipping Limited

Strategic Report (Continued)

For the year ended 31 December 2022

Director's statement of compliance with duty to promote the success of the Company

Section 172 (1) of the Companies Act 2006 requires every director of a Company to act in a manner they consider, in good faith, that will be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- a. The likely consequences of any decision in the long term
- b. The interests of the Company's employees
- c. The need to foster the Company's business relationships with supplier's customers and others
- d. The impact of the Company's operations on the community and the environment
- e. The desirability of the Company maintaining a reputation for high standards of business conduct, and
- f. The need to act fairly as between members of the Company.

It is important for the business to engage with its various stakeholders in a manner that gives us a better understanding of their interests and concerns in a manner that promotes strong sustainable successful business.

The Company recognises the importance of retention and development of talented employees to the ongoing success of the business. Employees are encouraged to develop their skills and we have regular training available to all levels of staff.

We consider our supplier relationships as critical to our overall success. We continue to build strong relationships with both existing and new suppliers allowing us to react quickly to the constantly changing market and to supply market leading solutions to our customers.

We aim to build long term relationships with our customers by providing them with solutions that ensure the smooth running of their supply chain, our scope of services across sea, air, road, rail, warehousing, distribution, customs, and technology offer a unique and comprehensive supply chain solution.

The directors and various senior management boards have acted to maximise profit and cash flow in order to create shareholder value.

The Company is committed to minimising its effect on the environment through the efficient use of resources, the reduction of waste and carbon emissions, recycling and transport planning.

I R Liddell

Director

22 December 2023

Metro Shipping Limited

Directors' Report

For the year ended 31 December 2022

The directors present their annual report and financial statements for the year ended 31 December 2022.

Results and dividends

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

No ordinary dividends were paid. 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:

I R Liddell

A White

A P Smith

K Lake

P Carlile

G A Liddell

(Appointed 3 January 2023)

(Resigned 3 January 2023)

(Resigned 31 March 2023)

Auditor

Moore Kingston Smith LLP were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

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;
- 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 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.

The directors are responsible for the maintenance and integrity of the company website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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Directors' Report (Continued)

For the year ended 31 December 2022

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.

On behalf of the board

I R Liddell
Director

22 December 2023

Metro Shipping Limited

Independent Auditor's Report

To the Member of Metro Shipping Limited

Opinion

We have audited the financial statements of Metro Shipping Limited (the 'company') for the year ended 31 December 2022 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity 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 FRS 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 December 2022 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.

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.

Metro Shipping Limited

Independent Auditor's Report (Continued)

To the Member of Metro Shipping Limited

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.

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.

Metro Shipping Limited

Independent Auditor's Report (Continued)

To the Member of Metro Shipping Limited

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.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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Independent Auditor's Report (Continued)

To the Member of Metro Shipping Limited

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Companies Act 2006, UK financial reporting standards as issued by the Financial Reporting Council, and UK taxation legislation.
- We obtained an understanding of how the company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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.

Jonathan Sutcliffe
Senior Statutory Auditor
for and on behalf of Moore Kingston Smith LLP

22 December 2023

Chartered Accountants
Statutory Auditor

6th Floor
9 Appold Street
London
EC2A 2AP

Metro Shipping Limited

Statement of Comprehensive Income

For the year ended 31 December 2022

		Year ended 31 December 2022 £	18 months ended 31 December 2021 £
	Notes		
Turnover	3	284,459,717	235,526,410
Cost of sales		(230,542,235)	(195,982,771)
Gross profit		53,917,482	39,543,639
Administrative expenses		(19,485,601)	(16,134,912)
Other operating income		2,203,648	1,936,280
Operating profit	4	36,635,529	25,345,007
Interest receivable and similar income	8	490,489	30,623
Interest payable and similar expenses	9	(1,552)	(2,328)
Profit before taxation		37,124,466	25,373,302
Tax on profit	10	(6,929,871)	(4,836,949)
Profit for the financial year		30,194,595	20,536,353

The Profit and Loss Account has been prepared on the basis that all operations are continuing operations.

Metro Shipping Limited

Balance Sheet

As at 31 December 2022

	Notes	2022 £	2021 £
Fixed assets			
Tangible assets	11	66,097	119,152
Investment properties	12	-	480,951
Investments	13	9,992	8,846
		<u>76,089</u>	<u>608,949</u>
Current assets			
Debtors	14	31,580,162	45,378,077
Cash at bank and in hand		73,968,970	27,970,733
		<u>105,549,132</u>	<u>73,348,810</u>
Creditors: amounts falling due within one year	15	<u>(30,499,983)</u>	<u>(29,050,697)</u>
Net current assets		<u>75,049,149</u>	<u>44,298,113</u>
Total assets less current liabilities		<u>75,125,238</u>	<u>44,907,062</u>
Creditors: amounts falling due after more than one year	16	<u>(23,581)</u>	<u>-</u>
Net assets		<u><u>75,101,657</u></u>	<u><u>44,907,062</u></u>
Capital and reserves			
Called up share capital	20	100,000	100,000
Profit and loss reserves		75,001,657	44,807,062
Total equity		<u><u>75,101,657</u></u>	<u><u>44,907,062</u></u>

The financial statements were approved by the board of directors and authorised for issue on 22 December 2023 and are signed on its behalf by:

I R Liddell
Director

Company Registration No. 01487078

Metro Shipping Limited

Statement of Changes in Equity

For the year ended 31 December 2022

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 July 2020	100,000	24,270,709	24,370,709
Period ended 31 December 2021:			
Profit and total comprehensive income for the period	-	20,536,353	20,536,353
Balance at 31 December 2021	100,000	44,807,062	44,907,062
Year ended 31 December 2022:			
Profit and total comprehensive income for the year	-	30,194,595	30,194,595
Balance at 31 December 2022	100,000	75,001,657	75,101,657

Metro Shipping Limited

Notes to the Financial Statements

For the year ended 31 December 2022

1 Accounting policies

Company information

Metro Shipping Limited is a private company limited by shares incorporated in England and Wales. The registered office is 2700 The Crescent, Birmingham Business Park, Birmingham, United Kingdom, B37 7YE.

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.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of GB Europe Holdings Limited. These consolidated financial statements are available from Companies House.

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.

Metro Shipping Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

1 Accounting policies

(Continued)

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.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from freight forwarding services

The provision for freight forwarding services include land, sea and air freight. Revenue is earned when goods arrive for imports and when they depart for exports. In both cases, revenue is recognised when the services are rendered, which coincide with the date of arrival or departure of shipments.

1.4 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. 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.

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:

Fixtures and fittings	20% straight line
Motor vehicles	20% straight line

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.

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.

1.5 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in profit or loss.

1.6 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Metro Shipping Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

1 Accounting policies

(Continued)

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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.

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 balance sheet 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.

Metro Shipping Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

1 Accounting policies

(Continued)

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.

Metro Shipping Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

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 profit and loss account 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.

Metro Shipping Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

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 profit and loss account, 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 balance sheet 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.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

Metro Shipping Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

1 Accounting policies

(Continued)

1.15 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred. Grants relating to an asset are recognised in income systematically over the asset's expected useful life. If part of such a grant is deferred it is recognised as deferred income rather than being deducted from the asset's carrying amount.

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.

The directors does not believe that there have been judgements (apart from those involving estimates) made in the process of applying the above accounting policies that have had a significant effect on amounts recognised in the financial statements.

3 Turnover and other revenue

The whole of the turnover is attributable to the principal activity of the Company.

	2022 £	2021 £
Turnover analysed by geographical market		
United Kingdom	228,112,770	190,777,548
Rest of Europe	21,654,790	22,350,203
Rest of the world	34,692,157	22,398,659
	<u>284,459,717</u>	<u>235,526,410</u>
	2022 £	2021 £
Other significant revenue		
Interest income	490,489	30,623
Government grants received	-	107,301
Rental income arising from investment properties	-	17,551
Exchange gain/(loss)	290,947	(505,561)
Profit share	922,110	684,272
Management fees receivable	883,296	1,445,635
Professional fees revenue	<u>107,295</u>	<u>187,082</u>

Metro Shipping Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

4 Operating profit

	2022	2021
	£	£
Operating profit for the year is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	45,441	84,144
Profit on disposal of investment property	(529,464)	-
Operating lease charges	547,931	622,228

5 Auditor's remuneration

	2022	2021
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	51,000	15,000
For other services		
Taxation compliance services	3,200	-
All other non-audit services	4,800	-
	8,000	-

6 Employees

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

	2022	2021
	Number	Number
Shipping, IT and administration	170	142
Administrative and support	27	28
Directors	4	3
Total	201	173

Their aggregate remuneration comprised:

	2022	2021
	£	£
Wages and salaries	13,797,109	10,770,637
Social security costs	1,762,134	1,174,050
Pension costs	189,393	219,085
	15,748,636	12,163,772

Metro Shipping Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

7 Directors' remuneration

	2022 £	2021 £
Remuneration for qualifying services	5,803,435	1,296,914
Company pension contributions to defined contribution schemes	3,522	5,266
	<u>5,806,957</u>	<u>1,302,180</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2021 - 3).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2022 £	2021 £
Remuneration for qualifying services	2,823,204	1,296,914
Company pension contributions to defined contribution schemes	1,761	5,266
	<u>2,824,965</u>	<u>1,302,180</u>

8 Interest receivable and similar income

	2022 £	2021 £
Interest income		
Interest on bank deposits	490,489	30,623
	<u>490,489</u>	<u>30,623</u>

9 Interest payable and similar expenses

	2022 £	2021 £
Interest on finance leases and hire purchase contracts	1,552	2,328
	<u>1,552</u>	<u>2,328</u>

10 Taxation

	2022 £	2021 £
Current tax		
UK corporation tax on profits for the current period	6,991,788	4,834,487
Adjustments in respect of prior periods	(59,481)	-
	<u>6,932,307</u>	<u>4,834,487</u>
Total current tax	<u>6,932,307</u>	<u>4,834,487</u>

Metro Shipping Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

10 Taxation

(Continued)

	2022 £	2021 £
Deferred tax		
Origination and reversal of timing differences	(2,436)	2,462
	<u> </u>	<u> </u>
Total tax charge	6,929,871	4,836,949
	<u> </u>	<u> </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:

	2022 £	2021 £
Profit before taxation	37,124,466	25,373,302
	<u> </u>	<u> </u>
<i>Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)</i>	7,053,649	4,820,927
Tax effect of expenses that are not deductible in determining taxable profit	27,607	28,259
Adjustments in respect of prior years	(59,481)	(34,825)
Other permanent differences	12,347	22,588
Fixed asset differences	(99,041)	-
Remeasurement of deferred tax for changes in tax rates	(5,210)	-
	<u> </u>	<u> </u>
Taxation charge for the year	6,929,871	4,836,949
	<u> </u>	<u> </u>

Metro Shipping Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

11 Tangible fixed assets

	Fixtures and fittings £	Motor vehicles £	Total £
Cost			
At 1 January 2022	1,603,467	203,370	1,806,837
Additions	29,886	-	29,886
Disposals	-	(125,000)	(125,000)
At 31 December 2022	1,633,352	78,370	1,711,722
Depreciation and impairment			
At 1 January 2022	1,582,308	105,377	1,687,685
Depreciation charged in the year	11,526	33,915	45,441
Eliminated in respect of disposals	-	(87,500)	(87,500)
At 31 December 2022	1,593,833	51,792	1,645,625
Carrying amount			
At 31 December 2022	39,519	26,578	66,097
At 31 December 2021	21,159	97,993	119,152

12 Investment property

	2022 £
Fair value	
At 1 January 2022	480,951
Disposals	(480,951)
At 31 December 2022	-

The 2021 valuations were made by the directors, on an open market value for existing use basis. The entity disposed of its investment property in the financial year.

13 Fixed asset investments

	2022 £	2021 £
Listed investments	9,992	8,846

Metro Shipping Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

13 Fixed asset investments (Continued)

Movements in fixed asset investments

	Investments £
Cost or valuation	
At 1 January 2022	8,846
Additions	1,146
	<hr/>
At 31 December 2022	9,992
	<hr/>
Carrying amount	
At 31 December 2022	9,992
	<hr/>
At 31 December 2021	8,846
	<hr/>

14 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	25,099,054	41,726,080
Amounts owed by group undertakings	5,941,583	3,153,960
Other debtors	184,907	252,671
Prepayments and accrued income	332,913	226,097
	<hr/>	<hr/>
	31,558,457	45,358,808
	<hr/>	<hr/>
Amounts falling due after more than one year:		
	2022 £	2021 £
Deferred tax asset (note 18)	21,705	19,269
	<hr/>	<hr/>
Total debtors	<hr/>	<hr/>
	31,580,162	45,378,077
	<hr/>	<hr/>

Metro Shipping Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

15 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Obligations under finance leases	17	5,797	33,623
Trade creditors		28,731,813	27,734,856
Corporation tax		8,808	376,501
Other taxation and social security		350,248	255,744
Accruals and deferred income		1,403,317	649,973
		<u>30,499,983</u>	<u>29,050,697</u>

16 Creditors: amounts falling due after more than one year

	Notes	2022 £	2021 £
Obligations under finance leases	17	23,581	-
		<u>23,581</u>	<u>-</u>

17 Finance lease obligations

	2022 £	2021 £
Future minimum lease payments due under finance leases:		
Within one year	5,797	33,623
In two to five years	23,581	-
	<u>29,378</u>	<u>33,623</u>

18 Deferred taxation

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

	Assets 2022 £	Assets 2021 £
Balances:		
Accelerated capital allowances	<u>21,705</u>	<u>19,269</u>

Metro Shipping Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

18 Deferred taxation (Continued)

	2022 £
Movements in the year:	
Asset at 1 January 2022	(19,269)
Credit to profit or loss	(2,436)
Asset at 31 December 2022	<u>(21,705)</u>

The deferred tax asset set out above is expected to reverse and relates to fixed asset timing differences.

Factors that may affect future tax charges

During March 2021 the UK chancellor announced an expected change to the UK's main corporation tax rates from 19% to 25% which was subsequently enacted into the Finance Act 2021. The main rate will increase to 25% from 1 April 2023 and will impact the corporation tax provision of the Company from that date. The deferred tax provision has been adjusted in these financial statements in recognition of this change.

19 Retirement benefit schemes

	2022 £	2021 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>189,393</u>	<u>219,085</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.

20 Share capital

	2022 Number	2021 Number	2022 £	2021 £
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>

Metro Shipping Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

21 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:

	2022 £	2021 £
Within one year	58,870	36,671
Between two and five years	121,118	74,197
	<u>179,988</u>	<u>110,868</u>

22 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

During the year management fee received from other related parties amounted to £883,296 (2021: £1,445,725).

During the year sales to other related parties amounted to £15,996,804 (2021: £19,416,404).

During the year purchases from other related parties amounted to £15,120,286 (2021: £5,860,864).

Rent payable to entities under common control amounted to £439,583 (2021: £582,945).

The following amounts were outstanding at the reporting end date:

	2022 £	2021 £
Amounts due from/(to) related parties		
Other related parties	<u>(1,339,267)</u>	<u>978,605</u>

23 Ultimate controlling party

The immediate UK parent company is Metro Global Holdings Limited, a company incorporated in England and Wales.

The ultimate parent company is GB Global Holdco. Pte. Ltd., a company incorporated in Singapore.

The ultimate controlling party is Mr I R Liddell by virtue of his shareholding in the ultimate parent company.

The UK parent undertaking for which consolidated accounts are prepared is GB Europe Holdings Limited. These consolidated accounts may be obtained from the Companies House website.

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