

KANE HAULAGE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

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KANE HAULAGE LIMITED

COMPANY INFORMATION

Directors	A P Kane L V Kane
Company secretary	L V Kane
Registered number	01735052
Registered office	Elsley Court 20-22 Great Titchfield Street London W1W 8BE
Independent auditor	Oliver Clive & Co Limited Chartered Accountants & Statutory Auditor 14 David Mews London W1U 6EQ

KANE HAULAGE LIMITED

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KANE HAULAGE LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2021

Business review

The group reports turnover of £12.5m (2020 - £10.1m) and gross profit of £2.8m (2020 - £0.6m) for the year ended 31 March 2021. The underlying profitability of contracts undertaken during the year has improved, compared to the prior year.

Despite the fluctuating nature of the economic environment, we have maintained our core level of overhead expenditure and continue to invest in our highly proficient and motivated workforce, which has contributed to the group's improved results for the year.

We are confident that the industry and the business will move forward and the trading results will remain consistent over the forthcoming period.

We maintain ongoing business relationships with our clients and endeavour to retain high standards of business conduct.

We are considerate of the impact of the company's operations on the community and the environment.

The company has a positive replacement policy for all major items of equipment and vehicles to ensure it maintains a modern fleet that is both reliable and efficient with a high residual value.

I am satisfied with the results of the group for the year and its continued positive performance in a significantly challenging marketplace. I would like to thank everyone in the group for their ongoing hard work, support and dedication.

Principal risks and uncertainties

The directors consider the principal risk of the group to be the threat of losing its uniquely professional and innovative appeal to the market, which could take form through any number of contributory factors, such as service quality, the lack of up-to-date equipment and technology and having the cash resources available to fund such investments.

The directors continually review the short, medium and long term risks and uncertainties faced by the group, and take appropriate measures to mitigate these risks as seen fit.

Financial key performance indicators

The group's key performance indicators are gross and net profits.

This report was approved by the board on

and signed on its behalf.



A P Kane
Director

KANE HAULAGE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2021

The directors present their report and the financial statements for the year ended 31 March 2021.

Principal activity

The principal activity of the group and company is that of aggregate merchants, civil engineering, demolition and earthworks contracting.

Results and dividends

The profit for the year, after taxation, amounted to £1,448,007 (2020 - loss of 746,547).

Dividends of £30,000 (2020 - £50,000) have been declared and paid during the year.

Principal risks and uncertainties

The group's operations expose it to a variety of financial risks that include the effects of changes in credit, liquidity, cash flow and exchange rates.

The group has in place a risk management programme that seeks to limit the possible adverse effects on its financial performance by monitoring levels of cash and performing a thorough appraisal of any potential new projects. The group does not use derivative financial instruments or manage interest rate costs and, as such, no hedge accounting is applied.

Given the size of the group, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The group's finance department implements the policies set by the board of directors. The department has specific guidelines agreed by the directors to manage credit risk, liquidity and cash flow risk, plus exchange risk and circumstances where it would be appropriate to use financial instruments to manage these.

Liquidity risk

The group manages its cash and potential borrowing requirements centrally to maximise finance income and minimise finance costs, whilst ensuring that the group has sufficient liquid resources to meet the operating needs of its business.

Foreign currency risk

The group is not exposed to foreign currency risk as it does not trade overseas.

Credit risk

All customers who wish to trade on credit terms are subject to credit verification procedures. Receivable balances are monitored on an ongoing basis and provision is made for doubtful debts where considered necessary.

Price risk

The group is not exposed to significant price risk as the majority of costs of sales relate to subcontractor and staff wages, in which price changes can be passed on to the customer or are under the directors' control.

Cash flow risk

The group operates a centralised cash flow management function and manages its exposure to cash flow risk by ensuring it maintains good working relationships with its finance providers, including its bank and hire purchase lessors. During the year, the group has improved its financial position in order to ensure it is capable of meeting all liabilities as they fall due.

KANE HAULAGE LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Disclosure of information to auditors

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

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

Post balance sheet events


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

Auditor

During the year, Oliver Clive & Co Limited was appointed as auditor. Under section 487(2) of the Companies Act 2006, Oliver Clive & Co Limited will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on

and signed on its behalf.



A P Kane
Director

KANE HAULAGE LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

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

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

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

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

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

KANE HAULAGE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KANE HAULAGE LIMITED

Opinion

We have audited the financial statements of Kane Haulage Limited (the 'parent company') and its subsidiaries (the 'Group') for the year ended 31 March 2021, which comprise the consolidated statement of comprehensive income, the consolidated and company balance sheets, the consolidated and company statements of changes in equity, the consolidated statement of cash flows, the consolidated analysis of net debt and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 March 2021 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

KANE HAULAGE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KANE HAULAGE LIMITED

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

KANE HAULAGE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KANE HAULAGE 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.

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

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates, and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, recognising that 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.

We focused on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006 and UK tax legislation. Our tests included agreeing the financial statement disclosures to underlying supporting documentation, enquiries with management and enquiries of legal counsel. There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We did not identify any key audit matters relating to irregularities, including fraud. As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

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

KANE HAULAGE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KANE HAULAGE LIMITED

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in 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 members, as a body, for our audit work, for this report, or for the opinions we have formed.



04/11/21

Emma Benjamin (Senior Statutory Auditor)

for and on behalf of
Oliver Clive & Co Limited

Chartered Accountants
Statutory Auditor

14 David Mews
London
W1U 6EQ

KANE HAULAGE LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 £	2020 £
Turnover	4	12,517,685	10,075,992
Cost of sales		(9,680,705)	(9,462,654)
Gross profit		2,836,980	613,338
Administrative expenses		(1,420,176)	(1,447,786)
Other operating income	5	147,022	135,057
Operating profit/(loss)	6	1,563,826	(699,391)
Interest receivable and similar income	10	996	6,782
Interest payable and similar charges	11	(10,983)	(12,415)
Profit/(loss) before tax		1,553,839	(705,024)
Tax on profit/(loss)	12	(105,832)	(41,523)
Profit/(loss) for the financial year		1,448,007	(746,547)

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

The notes on pages 16 to 31 form part of these financial statements.

KANE HAULAGE LIMITED
REGISTERED NUMBER:01735052
CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	14	4,026,676	4,794,058
Current assets			
Debtors: amounts falling due within one year	16	2,636,693	3,263,770
Cash at bank and in hand	17	2,916,719	354,923
		<u>5,553,412</u>	<u>3,618,693</u>
Creditors: amounts falling due within one year	18	<u>(2,044,115)</u>	<u>(2,220,118)</u>
Net current assets		<u>3,509,297</u>	<u>1,398,575</u>
Total assets less current liabilities		<u>7,535,973</u>	<u>6,192,633</u>
Creditors: amounts falling due after more than one year	19	(173,362)	(309,780)
Provisions for liabilities			
Deferred taxation	22	(194,315)	(132,564)
Net assets		<u>7,168,296</u>	<u>5,750,289</u>
Capital and reserves			
Called up share capital	23	50,000	50,000
Profit and loss account		7,118,296	5,700,289
		<u>7,168,296</u>	<u>5,750,289</u>

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

A P Kane 02.11.21

A P Kane
Director

The notes on pages 16 to 31 form part of these financial statements.

KANE HAULAGE LIMITED
REGISTERED NUMBER:01735052

COMPANY BALANCE SHEET
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	14	3,926,742	4,672,480
Investments	15	100	100
		<u>3,926,842</u>	<u>4,672,580</u>
Current assets			
Debtors: amounts falling due within one year	16	4,329,735	4,904,033
Cash at bank and in hand	17	2,615,210	253,432
		<u>6,944,945</u>	<u>5,157,465</u>
Creditors: amounts falling due within one year	18	<u>(1,936,552)</u>	<u>(2,152,644)</u>
Net current assets		<u>5,008,393</u>	<u>3,004,821</u>
Total assets less current liabilities		<u>8,935,235</u>	<u>7,677,401</u>
Creditors: amounts falling due after more than one year	19	(173,362)	(309,780)
Provisions for liabilities			
Deferred taxation	22	(194,315)	(132,564)
Net assets		<u><u>8,567,558</u></u>	<u><u>7,235,057</u></u>
Capital and reserves			
Called up share capital	23	50,000	50,000
Profit and loss account		<u>8,517,558</u>	<u>7,185,057</u>
		<u><u>8,567,558</u></u>	<u><u>7,235,057</u></u>

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

A P Kane 02 11 21

A P Kane
Director

The notes on pages 16 to 31 form part of these financial statements.

KANE HAULAGE LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021

	Called up share capital £	Profit and loss account £	Total equity £
At 1 April 2019	50,000	6,496,836	6,546,836
Comprehensive income for the year			
Loss for the year	-	(746,547)	(746,547)
Total comprehensive income for the year	-	(746,547)	(746,547)
Dividends: Equity capital	-	(50,000)	(50,000)
Total transactions with owners	-	(50,000)	(50,000)
At 1 April 2020	50,000	5,700,289	5,750,289
Comprehensive income for the year			
Profit for the year	-	1,448,007	1,448,007
Total comprehensive income for the year	-	1,448,007	1,448,007
Dividends: Equity capital	-	(30,000)	(30,000)
Total transactions with owners	-	(30,000)	(30,000)
At 31 March 2021	50,000	7,118,296	7,168,296

KANE HAULAGE LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

	Called up share capital £	Profit and loss account £	Total equity £
At 1 April 2019	50,000	7,191,330	7,241,330
Comprehensive income for the year			
Profit for the year	-	43,727	43,727
Total comprehensive income for the year	-	43,727	43,727
Dividends: Equity capital	-	(50,000)	(50,000)
Total transactions with owners	-	(50,000)	(50,000)
At 1 April 2020	50,000	7,185,057	7,235,057
Comprehensive income for the year			
Profit for the year	-	1,362,501	1,362,501
Total comprehensive income for the year	-	1,362,501	1,362,501
Dividends: Equity capital	-	(30,000)	(30,000)
Total transactions with owners	-	(30,000)	(30,000)
At 31 March 2021	50,000	8,517,558	8,567,558

KANE HAULAGE LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021**

	2021 £	2020 £
Cash flows from operating activities		
Profit/(loss) for the financial year	1,448,007	(746,547)
Adjustments for:		
Depreciation of tangible assets	1,100,844	1,267,037
Profit on disposal of tangible assets	(16,238)	(115,057)
Interest payable and similar charges	10,983	12,415
Interest receivable and similar income	(996)	(6,782)
Taxation charge	105,832	41,523
Decrease/(increase) in debtors	627,078	927,255
Decrease in creditors	(238,552)	(63,328)
Corporation tax (paid)/received	(90)	-
Net cash generated from operating activities	3,036,868	1,316,516
Cash flows from investing activities		
Purchase of tangible fixed assets	(370,139)	(1,275,712)
Sale of tangible fixed assets	52,915	255,150
Interest received	996	6,782
Net cash used in investing activities	(316,228)	(1,013,780)
Cash flows from financing activities		
Net cash movement on finance leases	(106,777)	(170,724)
Dividends paid	(30,000)	(50,000)
Hire purchase interest paid	(10,983)	(12,415)
Net cash used in financing activities	(147,760)	(233,139)
Net increase in cash and cash equivalents	2,572,880	69,597
Cash and cash equivalents at beginning of year	310,275	240,678
Cash and cash equivalents at the end of year	2,883,155	310,275
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	2,916,719	354,923
Bank overdrafts	(33,564)	(44,648)
	2,883,155	310,275

KANE HAULAGE LIMITED

CONSOLIDATED ANALYSIS OF NET DEBT FOR THE YEAR ENDED 31 MARCH 2021

	At 1 April 2020 £	Cash flows £	New finance leases £	Other non- cash changes £	At 31 March 2021 £
Cash at bank and in hand	354,923	2,561,796	-	-	2,916,719
Bank overdrafts	(44,648)	11,084	-	-	(33,564)
Obligation under hire purchase within 1 year	(289,463)	306,776	-	(336,418)	(319,105)
Obligation under hire purchase after 1 year	(309,780)	-	(200,000)	336,418	(173,362)
	<u>(288,968)</u>	<u>2,879,656</u>	<u>(200,000)</u>	<u>-</u>	<u>2,390,688</u>

KANE HAULAGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1. General information

The principal activity of the group and company is that of aggregate merchants, civil engineering, demolition and earthworks contracting.

The company is a private company limited by shares and is registered in England and Wales. The address of its principal place of business is Construction House, Porters Wood, St Albans, AL3 6NW.

2. Accounting Policies

2.1 Basis of preparation of financial statements

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

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

The company's functional and presentational currency is pound sterling.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

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

2.3 Going concern

The directors are regularly assessing the impact of the uncertainty arising from the COVID-19 virus. The directors appreciate that there is significant uncertainty surrounding the future economic climate. The directors have considered this and have reviewed the financial circumstances of the group. As a result, the directors are satisfied that the group will be able to satisfy its financial obligations for at least 12 months from the date of approval of these financial statements, which have been prepared on the going concern basis.

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Revenue on long-term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the year end by recorded revenue and related costs as contract activity progresses. Revenue is recognised as a proportion of total contract value equal to the proportion of costs incurred to date against the total expected costs for that contract. Revenues derived from variations on contracts are recognised only when they have been accepted by the customer. Full provision is made for losses on all contracts in the year in which they are first foreseen.

Completed contracts, or those near completion, at the year end are recognised according to their stage of completion.

KANE HAULAGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting Policies (continued)

2.5 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants of a revenue nature are recognised in the consolidated statement of comprehensive income in the same period as the related expenditure. Grants received in respect of Covid Job Retention scheme are included in other operating income.

2.6 Interest income

Interest income is recognised in the consolidated statement of comprehensive income using the effective interest method.

2.7 Finance costs

Finance costs are charged to the consolidated statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.8 Pensions

Defined contribution pension plan

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

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

KANE HAULAGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting Policies (continued)

2.9 Current and deferred taxation

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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

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

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

2.10 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance or straight line basis.

Depreciation is provided on the following basis:

Freehold land	- Not depreciated
Leasehold property	- 2% on a straight line basis and 15-20% on a reducing balance basis
Plant and machinery	- 25% on a reducing balance basis
Motor vehicles	- 25% on a reducing balance basis
Fixtures and fittings	- 20-25% on a reducing balance basis and 33.3% on a straight line basis
Trucks & vans	- 25% on a reducing balance basis

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the consolidated statement of comprehensive income.

KANE HAULAGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting Policies (continued)

2.11 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.12 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.13 Cash and cash equivalents

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

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

2.14 Creditors

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

KANE HAULAGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting Policies (continued)

2.15 Financial instruments

The group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities such as trade and other debtors and creditors.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

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

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the group would receive for the asset if it were to be sold at the balance sheet date.

2.16 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid.

KANE HAULAGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical judgements in applying the group's accounting policies

The group does not make significant judgements in applying the group accounting policies. Therefore, the presentation of financial statements in accordance with the applicable accounting policies includes adequate disclosures.

Determining residual values and useful economic lives of tangible fixed assets

The group depreciates tangible assets over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied by management. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes.

Judgement is applied by management when determining the residual values for tangible fixed assets

When determining the residual value, management aim to assess the amount that the group would currently obtain for the disposal of the asset, if it were already of the condition expected at the end of its useful economic life.

Revenue recognition

The group recognises income within turnover in line with the terms contained in underlying contracts. When assessing the amounts to be recognised, the directors consider various factors such as length of term, specific service provisions and the extent to which the group has met contract milestones.

Key accounting estimates and assumptions

The group does not make significant estimates and assumptions concerning the future.

4. Turnover

The whole of the turnover is attributable to the group's principal activity and arose within the United Kingdom.

5. Other operating income

	2021 £	2020 £
Other operating income	10,000	20,000
Government grants receivable	120,784	-
Profit on disposal of tangible fixed assets	16,238	115,057
	147,022	135,057

KANE HAULAGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

6. Operating profit/(loss)

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

	2021 £	2020 £
Depreciation of tangible fixed assets	1,100,844	1,267,037
Defined contribution pension cost	50,415	47,283
	<u>1,151,259</u>	<u>1,314,320</u>

7. Auditor's remuneration

	2021 £	2020 £
Fees payable to the company's auditor for the audit of the company's annual financial statements	10,000	10,000
Fees payable to the company's auditor for the audit of subsidiaries, pursuant to legislation	-	10,000
Fees payable to the company's auditor and its associates in respect of all other services	-	12,500
	<u>10,000</u>	<u>32,500</u>

KANE HAULAGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

8. Employees

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

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Wages and salaries	2,807,713	3,077,789	2,529,678	2,739,147
Social security costs	321,124	328,017	287,094	291,441
Cost of defined contribution scheme	50,415	47,283	45,187	41,908
	<u>3,179,252</u>	<u>3,453,089</u>	<u>2,861,959</u>	<u>3,072,496</u>

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

	2021 No.	2020 No.
Administration	13	12
Operations	53	52
	<u>66</u>	<u>64</u>

9. Directors' emoluments

	2021 £	2020 £
Directors' remuneration	168,000	168,000
Company contributions to defined contribution pension schemes	2,566	2,571
	<u>170,566</u>	<u>170,571</u>

During the year retirement benefits were accruing to 2 directors (2020 - 2) in respect of defined contribution pension schemes.

10. Interest receivable and similar income

	2021 £	2020 £
Other interest receivable	996	6,782

KANE HAULAGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

11. Interest payable and similar charges

	2021 £	2020 £
Hire purchase contracts	10,983	12,415

12. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on profit for the year	44,081	-
	44,081	-
Total current tax	44,081	-
Deferred tax		
Origination and reversal of timing differences	61,751	30,813
Changes to tax rates	-	10,710
Total deferred tax	61,751	41,523
Taxation on loss on ordinary activities	105,832	41,523

KANE HAULAGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

12. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2020 - higher than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2021 £	2020 £
Profit/(loss) on ordinary activities before tax	<u>1,553,839</u>	<u>(705,024)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	295,229	(133,955)
Effects of:		
Expenses not deductible for tax purposes	705	1,540
Other permanent differences	4,380	1,971
Adjust closing deferred tax rate	-	(9,958)
Deferred tax not recognised	(204,113)	170,026
Fixed asset differences	<u>9,631</u>	<u>11,899</u>
Total tax charge for the year	<u>105,832</u>	<u>41,523</u>

Factors that may affect future tax charges

The group has estimated losses of £771,645 (2020 - £2,302,222) available for carry forward against future trading profits. A deferred tax asset of £141,602 (2020 - £345,716) has not been recognised on the grounds that there is insufficient evidence that the group will generate sufficient levels of taxable profit in future periods to make the asset recoverable.

13. Parent company profit for the year

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements. The profit after tax of the parent company for the year was £1,385,555 (2020 - £43,727).

KANE HAULAGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

14. Tangible fixed assets

Group

	Land and buildings £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Trucks & vans £	Total £
Cost						
At 1 April 2020	1,111,081	11,809,909	304,884	320,180	5,111,909	18,657,963
Additions	-	46,450	32,500	15,489	275,700	370,139
Disposals	-	-	(105,500)	-	(120,923)	(226,423)
At 31 March 2021	1,111,081	11,856,359	231,884	335,669	5,266,686	18,801,679
Depreciation						
At 1 April 2020	528,424	10,032,321	244,897	290,886	2,767,377	13,863,905
Charge for the year	21,053	448,333	15,674	8,456	607,328	1,100,844
Disposals	-	-	(83,339)	-	(106,407)	(189,746)
At 31 March 2021	549,477	10,480,654	177,232	299,342	3,268,298	14,775,003
Net book value						
At 31 March 2021	561,604	1,375,705	54,652	36,327	1,998,388	4,026,676
At 31 March 2020	582,657	1,777,588	59,987	29,294	2,344,532	4,794,058

Included in land and buildings is long term leasehold property with a net book value of £526,604 (2020 - £547,657) and a freehold property with a net book value of £35,000 (2020 - £35,000).

Finance leases

Included in plant and machinery are assets under hire purchase contracts with a net book value of £49,476 (2020 - £563,079) after a depreciation charge of £16,492 (2020 - £187,693).

Included in trucks and vans are assets under hire purchase contracts with a net book value of £818,271 (2020 - £984,421) after a depreciation charge of £209,640 (2020 - £237,961).

KANE HAULAGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

14. Tangible fixed assets (continued)

Company

	L/term leasehold Property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Trucks & vans £	Total £
Cost						
At 1 April 2020	1,076,081	9,580,050	260,768	318,680	4,827,768	16,063,347
Additions	-	46,450	32,500	15,489	275,700	370,139
Disposals	-	-	(105,500)	-	(120,923)	(226,423)
At 31 March 2021	1,076,081	9,626,500	187,768	334,169	4,982,545	16,207,063
Depreciation						
At 1 April 2020	528,424	7,875,274	202,195	289,387	2,495,587	11,390,867
Charge for the year	21,053	430,130	15,320	8,456	604,241	1,079,200
Disposals	-	-	(83,339)	-	(106,407)	(189,746)
At 31 March 2021	549,477	8,305,404	134,176	297,843	2,993,421	12,280,321
Net book value						
At 31 March 2021	526,604	1,321,096	53,592	36,326	1,989,124	3,926,742
At 31 March 2020	547,657	1,704,776	58,573	29,293	2,332,181	4,672,480

Finance leases

Included in plant and machinery are assets under hire purchase contracts with a net book value of £49,476 (2020 - £563,079) after a depreciation charge of £16,492 (2020 - £187,693).

Included in trucks and vans are assets under hire purchase contracts with a net book value of £818,271 (2020 - £984,421) after a depreciation charge of £209,640 (2020 - £237,961).

KANE HAULAGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

15. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost and net book value	
At 1 April 2020	100
At 31 March 2021	100

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Principal activity	Class of shares	Holding
G. J. Gaywood Limited	Demolition and earthworks contractors	Ordinary	100%
Arkoss Demolition Limited*	Dormant	Ordinary	100%

The address of the subsidiaries' registered office is Elsley Court, 20-22 Great Titchfield Street, London, W1W 8BE.

*Held indirectly

The subsidiary undertakings listed above have taken the audit exemption available under section 479A Companies Act 2006. Under section 479C, Kane Haulage Limited has given a guarantee for each of its subsidiary undertakings' liabilities outstanding as at 31 March 2021.

16. Debtors

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade debtors	641,099	1,269,442	636,196	1,219,964
Amounts owed by group undertakings	-	-	1,796,955	1,987,423
Other debtors	425,082	696,236	394,666	483,539
Prepayments and accrued income	70,660	69,692	43,511	43,859
Amounts recoverable on long term contracts	1,499,852	1,228,400	1,458,407	1,169,248
	2,636,693	3,263,770	4,329,735	4,904,033

KANE HAULAGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

17. Cash and cash equivalents

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Cash at bank and in hand	2,916,719	354,923	2,615,210	253,432
Less: bank overdrafts	(33,564)	(44,648)	(33,564)	(44,648)
	<u>2,883,155</u>	<u>310,275</u>	<u>2,581,646</u>	<u>208,784</u>

18. Creditors: Amounts falling due within one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Bank overdrafts	33,564	44,648	33,564	44,648
Trade creditors	1,237,984	1,427,415	1,189,227	1,396,134
Corporation tax	44,081	90	44,081	-
Other taxation and social security	277,166	297,649	243,310	289,352
Obligations under hire purchase contracts	319,105	289,463	319,105	289,463
Other creditors	105,628	135,762	91,958	119,225
Accruals and deferred income	26,587	25,091	15,307	13,822
	<u>2,044,115</u>	<u>2,220,118</u>	<u>1,936,552</u>	<u>2,152,644</u>

19. Creditors: Amounts falling due after more than one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Obligations under hire purchase contracts	173,362	309,780	173,362	309,780

20. Hire purchase

Minimum lease payments under hire purchase fall due as follows:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Within one year	326,146	297,289	326,146	297,289
Between 1-5 years	175,052	317,086	175,052	317,086
	<u>501,198</u>	<u>614,375</u>	<u>501,198</u>	<u>614,375</u>

KANE HAULAGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

21. Financial instruments

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Financial assets				
Financial assets measured at fair value through profit or loss	2,916,719	354,923	2,615,210	253,432

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand.

22. Deferred taxation

Group

	2021 £	2020 £
At beginning of year	132,564	91,041
Profit and loss account movement	61,751	41,523
At end of year	194,315	132,564

Company

	2021 £	2020 £
At beginning of year	132,564	91,041
Profit and loss account movement	61,751	41,523
At end of year	194,315	132,564

The provision for deferred taxation is made up as follows:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Fixed asset timing differences	200,198	224,858	195,134	218,731
Tax losses carried forward	(5,010)	(91,706)	-	(85,630)
Short term timing differences	(873)	(588)	(819)	(537)
	194,315	132,564	194,315	132,564

23. Share capital

2021 £	2020 £
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KANE HAULAGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

23. Share capital (continued)

Allotted, called up and fully paid

50,000 Ordinary shares of £1 each	50,000	50,000
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There is a single class of ordinary share. There are no restrictions on the distribution of dividends and the repayment of capital.

24. Pension commitments

Group

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £50,415 (2020 - £47,283). Contributions totalling £4,587 (2020 - £3,091) were payable to the fund at the balance sheet date.

Company

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £45,187 (2020 - £41,908). Contributions totalling £4,307 (2020 - £2,822) were payable to the fund at the balance sheet date.

25. Related party transactions

The company has not disclosed transactions with wholly owned group companies in accordance with FRS 102, section 33 paragraph 33.1A.

Group

During the year, the group recharged costs totalling £37,977 (2020 - £54,703), made cash transfers of £110,000 (2020 - £168,000) and purchased £146,583 (2020 - £206,760) of goods and services to/from GJG Environmental Limited. At the year end, £58,251 (2020 - £56,857) was owed to GJG Environmental Limited. A P Kane is the sole director and shareholder in GJG Environmental Limited.

Group and company

A P Kane has a controlling interest in Kane Plant and Vehicle Services Limited which charged the company £90,000 (2020 - £90,000) for rent during the year.

At the year end, £366,831 (2020 - £455,151) was owed by Kane Plant and Vehicle Services Limited to the company.

During the year, the company declared dividends of £30,000 (2020 - £50,000), had expenses paid on its behalf totalling £Nil (2020 - £51,875) and made payments totalling £51,786 (2020 - £11,381) to A P Kane. At the year-end, the balance outstanding to A P Kane was £13,894 (2020 - £35,680).

There was no key management personnel compensation other than as stated in note 9.

26. Controlling party

A P Kane is the ultimate controlling party by virtue of his shareholding in the company.