

QUALITY FREIGHT SERVICES LIMITED

Strategic Report, Report of the Director and

Financial Statements for the Year Ended 31 August 2021

Walter Dawson & Son Chartered Accountants
1 Valley Court
Canal Road
Bradford
West Yorkshire
BD1 4SP

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for the Year Ended 31 August 2021

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QUALITY FREIGHT SERVICES LIMITED

Company Information
for the Year Ended 31 August 2021

DIRECTOR:

M J Johnson

REGISTERED OFFICE:

Unit 1 Peel House
Off Taunton Street
Shipley
West Yorkshire
BD18 3NA

REGISTERED NUMBER:

03090860 (England and Wales)

AUDITORS:

Walter Dawson & Son Chartered Accountants
1 Valley Court
Canal Road
Bradford
West Yorkshire
BD1 4SP

Strategic Report
for the Year Ended 31 August 2021

The director presents his strategic report for the year ended 31 August 2021.

REVIEW OF BUSINESS

Major figures in the accounts increased during the financial year 01.09.20 to 31.08.21 as the business continued its organic growth. Turnover increased 45% on the previous year showing a strong recovery from the first Covid Lockdown. Covid had been a factor since March 2020 and the start of this financial year saw us returning to full-service levels. The return to normal growth was aided on occasion by being able to pick up some new employees of a high calibre from other freight companies who had not been so flexible during the Covid period.

We have always proffered ourselves as a bespoke freight company which has led to assorted offices being opened across the UK to provide a local touch. Brexit coming into force on the 31st of January 2020 had the effect on a large majority of UK importers and exporters (our target market) of focusing their requirements which had until that date been predominately price conscious then suddenly realising that a more specialised freight solution such as we were offering was worth paying a little more for, particularly when 'cheap and cheerful' simply wasn't getting their freight moved.

Our ethos of paying higher salaries and incentivised bonuses has not only ensured that we have a market leading staff retention, but also in the freight world our reputation for being willing to pay good bonuses as opposed to some companies who it is suggested will try almost any tactic to avoid paying said bonuses. This led to our total wage cost increasing by 55% despite the workforce only increasing by 8 employees on average. The knock-on effect of this has been the willingness of existing staff to network through colleagues they worked with elsewhere and extolling the virtues of joining our company.

The companies plans for the future are to continue to recruit the best people, continue to pay them well and encourage them to both build their own client base and recruit others to do the same. We do not envisage any capital investment save for the purchase of more computers and other IT items as the company continues to grow. The company will continue to lease most of its company cars and its assorted offices across the UK making its fixed asset register very low.

The main asset of the company is clearly its people, hence the reason they are so heavily invested in. It has always been felt that staff retention was key to progress, alongside the continuity that long term employees bring. Clearly the consequence of that has been that not only has our client retention and growth been outstanding, but our staff losses have been negligible.

The company has had continued growth since its inception in 1995 and there has been a shift in the exporters and importers needs, particularly now that post Brexit the level of customs procedures needed is high which again 'pushes' customers to companies like ours that invested quickly into specialised customs clearance staff. Bringing them into the company prior to Brexit Day and marketing the specialist customs department within our already bespoke company was a masterstroke better than could ever have been imagined and the growth from that prudent choice has been incredible and will continue to boost our growth into the years to come.

ON BEHALF OF THE BOARD:

M J Johnson - Director

31 May 2022

Report of the Director
for the Year Ended 31 August 2021

The director presents his report with the financial statements of the company for the year ended 31 August 2021.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of freight forwarding.

DIVIDENDS

No dividends will be distributed for the year ended 31 August 2021.

DIRECTOR

M J Johnson held office during the whole of the period from 1 September 2020 to the date of this report.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Strategic Report, the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Walter Dawson & Son Chartered Accountants, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

M J Johnson - Director

31 May 2022

Report of the Independent Auditors to the Members of
QUALITY FREIGHT SERVICES LIMITED

Opinion

We have audited the financial statements of QUALITY FREIGHT SERVICES LIMITED (the 'company') for the year ended 31 August 2021 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's 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 director with respect to going concern are described in the relevant sections of this report.

Other information

The director is responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Director, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Director have been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of
QUALITY FREIGHT SERVICES LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Director.

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

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

Responsibilities of director

As explained more fully in the Statement of Director's Responsibilities set out on page three, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Report of the Independent Auditors to the Members of
QUALITY FREIGHT SERVICES LIMITED

Auditors' responsibilities for the audit of the financial statements

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

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

Our approach to identifying and assessing the risk of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussion with directors and other management, and from our commercial knowledge and experience of the sector;
- we focussed on specific laws and regulations which considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was a susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 2 and where indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators including the Health and Safety Executive, and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Report of the Independent Auditors to the Members of
QUALITY FREIGHT SERVICES LIMITED

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Graham Atkinson (Senior Statutory Auditor)
for and on behalf of Walter Dawson & Son Chartered Accountants
1 Valley Court
Canal Road
Bradford
West Yorkshire
BD1 4SP

31 May 2022

Income Statement
for the Year Ended 31 August 2021

	Notes	31.8.21 £	31.8.20 £
TURNOVER		35,052,020	24,249,810
Cost of sales		<u>28,803,764</u>	<u>20,109,743</u>
GROSS PROFIT		6,248,256	4,140,067
Administrative expenses		<u>5,917,426</u>	<u>4,017,223</u>
		330,830	122,844
Other operating income		<u>22,146</u>	<u>271,355</u>
OPERATING PROFIT	4	352,976	394,199
Interest receivable and similar income		<u>18</u>	<u>-</u>
		352,994	394,199
Interest payable and similar expenses	5	<u>15,416</u>	<u>17,126</u>
PROFIT BEFORE TAXATION		337,578	377,073
Tax on profit	6	<u>54,014</u>	<u>59,712</u>
PROFIT FOR THE FINANCIAL YEAR		<u>283,564</u>	<u>317,361</u>

QUALITY FREIGHT SERVICES LIMITED (Registered number: 03090860)

Other Comprehensive Income
for the Year Ended 31 August 2021

	Notes	31.8.21 £	31.8.20 £
PROFIT FOR THE YEAR		283,564	317,361
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME			
FOR THE YEAR		<u>283,564</u>	<u>317,361</u>

The notes form part of these financial statements

QUALITY FREIGHT SERVICES LIMITED (Registered number: 03090860)**Balance Sheet**
31 August 2021

	Notes	31.8.21 £	£	31.8.20 £	£
FIXED ASSETS					
Tangible assets	7		268,333		245,022
CURRENT ASSETS					
Debtors	8	6,337,442		3,262,846	
Cash at bank and in hand		<u>1,518,054</u>		<u>794,182</u>	
		7,855,496		4,057,028	
CREDITORS					
Amounts falling due within one year	9	<u>6,643,125</u>		<u>3,039,935</u>	
NET CURRENT ASSETS			<u>1,212,371</u>		<u>1,017,093</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,480,704		1,262,115
CREDITORS					
Amounts falling due after more than one year	10		-		65,875
NET ASSETS			<u>1,480,704</u>		<u>1,196,240</u>
CAPITAL AND RESERVES					
Called up share capital	14		2,000		1,100
Retained earnings			<u>1,478,704</u>		<u>1,195,140</u>
SHAREHOLDERS' FUNDS			<u>1,480,704</u>		<u>1,196,240</u>

The financial statements were approved by the director and authorised for issue on 31 May 2022 and were signed by:

M J Johnson - Director

The notes form part of these financial statements

Statement of Changes in Equity
for the Year Ended 31 August 2021

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 September 2019	1,100	877,779	878,879
Changes in equity			
Total comprehensive income	-	317,361	317,361
Balance at 31 August 2020	<u>1,100</u>	<u>1,195,140</u>	<u>1,196,240</u>
Changes in equity			
Issue of share capital	900	-	900
Total comprehensive income	-	283,564	283,564
Balance at 31 August 2021	<u>2,000</u>	<u>1,478,704</u>	<u>1,480,704</u>

Cash Flow Statement
for the Year Ended 31 August 2021

	Notes	31.8.21 £	31.8.20 £
Cash flows from operating activities			
Cash generated from operations	1	1,001,407	835,330
Interest paid		(14,698)	(14,041)
Interest element of hire purchase payments paid		(718)	(3,085)
Tax paid		(59,712)	(57,441)
Net cash from operating activities		<u>926,279</u>	<u>760,763</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(124,001)	(84,920)
Interest received		18	-
Net cash from investing activities		<u>(123,983)</u>	<u>(84,920)</u>
Cash flows from financing activities			
New loans in year		-	50,000
Loan repayments in year		(50,000)	-
Capital repayments in year		(29,324)	(19,786)
Share issue		900	-
Net cash from financing activities		<u>(78,424)</u>	<u>30,214</u>
Increase in cash and cash equivalents		<u>723,872</u>	<u>706,057</u>
Cash and cash equivalents at beginning of year	2	794,182	88,125
Cash and cash equivalents at end of year	2	<u>1,518,054</u>	<u>794,182</u>

The notes form part of these financial statements

**Notes to the Cash Flow Statement
for the Year Ended 31 August 2021**

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	31.8.21 £	31.8.20 £
Profit before taxation	337,578	377,073
Depreciation charges	100,690	54,540
Finance costs	15,416	17,126
Finance income	(18)	-
	<u>453,666</u>	<u>448,739</u>
Increase in trade and other debtors	(3,074,596)	(645,835)
Increase in trade and other creditors	<u>3,622,337</u>	<u>1,032,426</u>
Cash generated from operations	<u><u>1,001,407</u></u>	<u><u>835,330</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 August 2021

	31.8.21 £	1.9.20 £
Cash and cash equivalents	<u>1,518,054</u>	<u>794,182</u>

Year ended 31 August 2020

	31.8.20 £	1.9.19 £
Cash and cash equivalents	<u>794,182</u>	<u>88,125</u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.9.20 £	Cash flow £	At 31.8.21 £
Net cash			
Cash at bank and in hand	<u>794,182</u>	<u>723,872</u>	<u>1,518,054</u>
	<u>794,182</u>	<u>723,872</u>	<u>1,518,054</u>
Debt			
Finance leases	(29,324)	29,324	-
Debts falling due after 1 year	<u>(50,000)</u>	<u>50,000</u>	<u>-</u>
	<u>(79,324)</u>	<u>79,324</u>	<u>-</u>
Total	<u><u>714,858</u></u>	<u><u>803,196</u></u>	<u><u>1,518,054</u></u>

Notes to the Financial Statements
for the Year Ended 31 August 2021

1. STATUTORY INFORMATION

QUALITY FREIGHT SERVICES LIMITED is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover

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

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Fixtures and fittings	- 15% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 33% on cost

Government grants

Grants receivable in relation to profit and loss expenditure are credited to the profit and loss in the year for which they relate

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

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

Notes to the Financial Statements - continued
for the Year Ended 31 August 2021

2. ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Income recognition

Income is recognised when services have been completed such that the risks and rewards of ownership have transferred to the customer.

3. EMPLOYEES AND DIRECTORS

	31.8.21	31.8.20
	£	£
Wages and salaries	4,074,775	2,620,196
Social security costs	516,529	330,491
Other pension costs	<u>175,317</u>	<u>123,776</u>
	<u><u>4,766,621</u></u>	<u><u>3,074,463</u></u>

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

	31.8.21	31.8.20
Directors	1	1
Employees	<u>68</u>	<u>60</u>
	<u><u>69</u></u>	<u><u>61</u></u>

	31.8.21	31.8.20
	£	£
Director's remuneration	<u>199,996</u>	<u>99,996</u>

4. OPERATING PROFIT

The operating profit is stated after charging:

	31.8.21	31.8.20
	£	£
Depreciation - owned assets	92,271	43,316
Depreciation - assets on hire purchase contracts	8,419	11,224
Foreign exchange differences	<u>25,507</u>	<u>-</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2021

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	31.8.21	31.8.20
	£	£
Bank charges & interest	14,510	14,041
Interest on taxation	188	-
Hire purchase	718	3,085
	<u>15,416</u>	<u>17,126</u>

6. TAXATION

Analysis of the tax charge

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

	31.8.21	31.8.20
	£	£
Current tax:		
UK corporation tax	54,014	59,712
Tax on profit	<u>54,014</u>	<u>59,712</u>

UK corporation tax has been charged at 19% (2020 - 19%).

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	31.8.21	31.8.20
	£	£
Profit before tax	<u>337,578</u>	<u>377,073</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	64,140	71,644
Effects of:		
Expenses not deductible for tax purposes	131	317
Capital allowances in excess of depreciation	<u>(10,257)</u>	<u>(12,249)</u>
Total tax charge	<u>54,014</u>	<u>59,712</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2021

7. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 September 2020	160,200	79,821	248,107	488,128
Additions	8,057	-	115,944	124,001
At 31 August 2021	<u>168,257</u>	<u>79,821</u>	<u>364,051</u>	<u>612,129</u>
DEPRECIATION				
At 1 September 2020	55,011	46,144	141,951	243,106
Charge for year	16,988	8,419	75,283	100,690
At 31 August 2021	<u>71,999</u>	<u>54,563</u>	<u>217,234</u>	<u>343,796</u>
NET BOOK VALUE				
At 31 August 2021	<u>96,258</u>	<u>25,258</u>	<u>146,817</u>	<u>268,333</u>
At 31 August 2020	<u>105,189</u>	<u>33,677</u>	<u>106,156</u>	<u>245,022</u>

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor vehicles £
COST	
At 1 September 2020	79,821
Transfer to ownership	(79,821)
At 31 August 2021	<u>-</u>
DEPRECIATION	
At 1 September 2020	46,144
Charge for year	8,419
Transfer to ownership	(54,563)
At 31 August 2021	<u>-</u>
NET BOOK VALUE	
At 31 August 2021	<u>-</u>
At 31 August 2020	<u>33,677</u>

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.21 £	31.8.20 £
Trade debtors	6,279,170	3,218,774
Other debtors	50,772	44,072
Prepayments	7,500	-
	<u>6,337,442</u>	<u>3,262,846</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2021

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.21	31.8.20
	£	£
Hire purchase contracts (see note 12)	-	13,449
Trade creditors & accruals	6,311,975	2,402,920
Corporation Tax	54,014	59,712
Other taxes & PAYE	210,189	98,316
VAT	66,947	465,538
	<u>6,643,125</u>	<u>3,039,935</u>

10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.8.21	31.8.20
	£	£
Bank loans (see note 11)	-	50,000
Hire purchase contracts (see note 12)	-	15,875
	<u>-</u>	<u>65,875</u>

11. LOANS

An analysis of the maturity of loans is given below:

	31.8.21	31.8.20
	£	£
Amounts falling due in more than five years:		
Repayable by instalments	-	50,000
Bank loans more 5 yr by instal	<u>-</u>	<u>50,000</u>

12. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	31.8.21	31.8.20
	£	£
Net obligations repayable:		
Within one year	-	13,449
Between one and five years	-	15,875
	<u>-</u>	<u>29,324</u>

	Non-cancellable operating leases	
	31.8.21	31.8.20
	£	£
Within one year	119,347	119,347
Between one and five years	456,153	102,403
	<u>575,500</u>	<u>221,750</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2021**13. SECURED DEBTS**

The following secured debts are included within creditors:

	31.8.21	31.8.20
	£	£
Bank loans	-	50,000
Hire purchase contracts	-	29,324
	<u>-</u>	<u>79,324</u>

The bank loan is a Coronavirus Business Interruption Loan which has government backed security.

Hire purchase liabilities are secured against the specific fixed assets to which they relate.

14. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.8.21	31.8.20
			£	£
1,000	Ordinary	£1.00	1,000	1,000
1,000	Ordinary non-voting	£1.00	<u>1,000</u>	<u>100</u>
			<u>2,000</u>	<u>1,100</u>

15. PENSION COMMITMENTS

The company operates a defined contribution pension scheme, the assets of which are held separately from those of the company in an independently administered fund. The pension cost charge in the accounts amounted to £175,317 (2020 : £123,776).

16. RELATED PARTY DISCLOSURES

Mr Martin Johnson through his control over the majority of shares, and together with his involvement in its day to day management, is deemed to be the controlling parties for the purpose of Financial Reporting Standard No. 102.

The company operates from premises owned by Dentons SIPP who is a related party due to being under the control of Mr Martin Johnson. Rent of £23,400 (2020: £23,400) was paid in the year.

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