

Registered No 03131583

S.T.I. (U.K.) Limited

**Annual Report and Financial Statements
for the year ended 31 December 2023**

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COMPANY INFORMATION

Directors

K Schuettke

P Henry

Company Secretary

C White

Registered number

03131583

Independent Auditors

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

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Watford

Hertfordshire

WD17 1JJ

Registered Office

Punchbowl 130

Punchbowl Park

Cherry Tree Lane

Hemel Hempstead

HP2 7EU

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

The Directors present the Strategic Report of S.T.I. (U.K.) Limited (the "Company") for the year ended 31 December 2023.

Business review

The directors are satisfied with the results for the year and do not envisage any major change in the conduct of the business over the next twelve months.

The Company continues to provide supply chain services to customers in four core sectors: chilled food and drink, freight forwarding, retail logistics and group related activities. The Company's market proposition covers a broad spectrum of supply chain solutions specifically designed for the customer from the design stage to execution.

The logistics sector has experienced little growth during the year with lower volumes experienced across all sectors, but it is hoped there will be an increase in business confidence during the later part of 2024. The dedicated haulier fleet continues to ensure service levels are maintained whilst remaining cost effective. S.T.I. (U.K.) Limited has remained focused on providing sustainable and adaptable logistics solutions to its existing and new customer base.

STIlive, the digital track and trace and ETA (estimated time of arrival) system continues to provide delivery optimisation and increased efficiency for planning transport and execution. The target rollout to track 85% of journeys by Q3 2024 is on track to be achieved and has been very well received by hauliers. The current tracked deliveries accounts for 51% of total deliveries and is increasing each month. Full transparency with an overview of transport status at any time and the ability to adapt to changing circumstances quickly will continue to be a focus during 2024 with the progression of rolling out the platform to customers.

S.T.I. (U.K.) Limited has continued to identify opportunities to reduce the impact of its business on the environment. To reduce CO2 emissions during the year, the Company continues to incorporate rail options and increased containerisation to the solution portfolio, this option also provides the benefit of increasing pallet carrying capacity and reducing road mileage, tyre wear and fuel consumption. In addition, the business has incorporated the Hulsteins Ecogen 2 system into the dedicated fleet, a cost-effective solution that converts engine power to electricity that significantly reduces trailer exhaust emissions. This will continue to be rolled out in 2024, along with electric and gas truck solutions.

Results and dividends are noted in the Directors' Report on pages 6 to 7.

Financial risk management

Management meets regularly to discuss risks on the business and communicate this monthly to the parent company. The main areas affecting the business are:

Treasury policies

The objectives of the Company are to manage the Company's financial risk, secure cost-effective funding for the Company's operations, and to minimise the adverse effects of fluctuations in the financial markets on the Company's financial assets and liabilities, on reported profitability, and on the cash flows of the Company.

Financial instruments

The Company's financial instruments comprise cash and liquid resources, balances, with group undertakings and various items such as trade debtors and trade creditors, which arise directly from its operations.

STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2023
Financial instruments (continued)

The main risks arising from the Company's financial instruments are interest rate risk and liquidity risk. All the Company's transactions predominantly are in sterling. The Board reviews and agrees policies for managing these risks as summarised below.

Market risk

A significant portion of the Company's revenue is generated through a small number of key customers. Management continues to focus on increasing its customer base to mitigate this risk.

Liquidity risk

The Company finances its operations through a mixture of retained profits, cash and balances with group undertakings.

Interest rate risk

No other interest-bearing assets except cash. The Company does not trade in financial instruments and has no form of derivatives.

Price risk

The Company's exposure is limited by agreed prices generally fixed for a period of 1 year.

Future developments

The directors aim to maintain the management policies which have contributed to the results for the year. They anticipate continued improvements in the results through continuing operations and further efficiencies.

In 2024, the directors will continue to pursue the growth of the Pharma division of its business by acquiring GDP accreditation and drawing on the experience of the pharma experts within the S.T.I. network to understand the rules of engagement for pharma customers and ensuring their expectations are addressed.

The directors have a reasonable expectation that the Company has access to adequate resources to continue in operational existence for the foreseeable future.

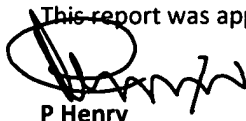
Key performance indicators

The Company's key financial indicators and other performance indicators during the year were as follows:

	2023	2022	Change
Turnover (£000)	40,669	43,602	(7%)
Profit before taxation (£000)	1,406	1,005	40%
Average monthly number of employees	44	41	7%

S.T.I. (U.K.) Limited is funded by way of share capital and participates in the Group Cash pooling arrangement. As part of this arrangement the Company held £107,595 of available credit at the Balance Sheet Date (2022: £47,267) in the form of intercompany creditors.

This report was approved by the board and signed on its behalf by:



P Henry

Director

Date: 25/04/2024

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023**

The directors present their annual report and the audited financial statements of S.T.I. (U.K.) Limited (the "Company") for the year ended 31 December 2023.

Results and dividends

The profit for the financial year amounted to £1,072k (2022: £815k).

The Directors distributed a final dividend relating to 2022 of £815k. The Company has closing net assets of £1,082k (2022: £825k).

Directors

The Directors who served during the year and up to the date of signing the financial statements were:

P Henry
K Schuettke

Going concern

The Directors believe that preparing the financial statements on the going concern basis is appropriate due to the Company's abilities to meet its day-to-day working capital requirements. The Company's forecasts and projections, taking account of reasonably possible changes in trading performance show that the Company would be able to operate within the level of its current facilities. The Directors have a reasonable expectation that the Company has access to adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

In addition, based on the various scenarios reviewed by the Directors, including a pessimistic yet plausible downside scenario which models no growth in operational activity against the current forecasted performance the Directors expect the Company to continue to have sufficient liquidity. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

Financial risks management and future developments

These have been addressed in the Strategic Report on pages 4 to 5.

Employees

The Company recognises the importance of encouraging all employees to contribute to the achievements of the Company. It has a comprehensive set of employment practices designed to achieve that objective.

In particular, the Company's equal opportunities policy is designed to create an environment in which all employees are encouraged to develop their individual potential whatever their sex, race, religion, colour, age or disability. The same opportunities for training, career development and promotion are available to all employees including those with disabilities, in so far as that disability does not prevent them from performing their job or any suitable alternative available job. Applications for employment by disabled persons are always fully considered bearing in mind the respective aptitudes and abilities of the applicant concerned.

Consultation and communication with employees or their representatives take place at all levels as appropriate to the Company's businesses. These are designed to ensure that employees' views are taken into account when decisions are made that are likely to affect their interests.

DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

The Company attaches great importance to the quality of its communications with all employees. Employees are provided with information about the performance of the Company through a variety of briefing mechanisms appropriate to their circumstances.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law, 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 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 also 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.

Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report was approved by the board and signed on its behalf by:

P Henry
Director



Date: 25/04/2024

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF S.T.I. (U.K.) LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, S.T.I. (U.K.) Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: Statement of Financial Position as at 31 December 2023; Statement of Comprehensive Income and Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF S.T.I. (U.K.) LIMITED (continued)
Report on the audit of the financial statements (continued)

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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

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 an auditors' 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF S.T.I. (U.K.) LIMITED (continued)

Report on the audit of the financial statements (continued)

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006 and non-compliance with UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to fraudulent journal entries, designed to manipulate the financial performance of the company. Audit procedures performed by the engagement team included:

- Inquiry with management in respect of potential non-compliance with laws and regulations;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing the financial statement disclosures and agreeing those disclosures back to supporting documentation;
- Identifying and testing journal entries posted with unusual account combinations; and
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

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.

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

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Ruaridh Macphee (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Watford
25 April 2024

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Note	2023 £000	2022 £000
Turnover	4	40,669	43,602
Cost of Sales		(35,410)	(38,931)
Gross Profit		5,259	4,671
Administrative Expenses		(4,068)	(3,658)
Operating Profit		1,191	1,013
Interest receivable and similar income	9	219	49
Interest payable and similar expenses	10	(4)	(57)
Profit before Taxation		1,406	1,005
Tax on profit	11	(334)	(190)
Profit for the Financial Year		1,072	815

The notes on pages 14 to 25 form part of these financial statements

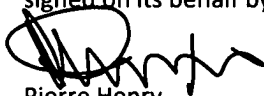
All results derive from continuing operations.

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023**

	Note	2023 £000	2022 £000
Fixed Assets			
Tangible Assets	13	18	51
Current Assets			
Debtors	14	5,193	7,639
Cash at bank and in hand	15	6,133	4,637
		<u>11,326</u>	<u>12,276</u>
Creditors: amounts falling due within one year	16	<u>(10,262)</u>	<u>(11,502)</u>
Net current assets		1,064	774
Total assets less current liabilities and net assets		<u>1,082</u>	<u>825</u>
Capital and reserves			
Called up share capital	18	10	10
Retained earnings		1,072	815
Total equity		<u>1,082</u>	<u>825</u>

The notes on page 14 to page 25 form part of the financial statements.

The financial statements on pages 11 to 25 were approved on 25th April 2024 by the board of directors and signed on its behalf by:


Pierre Henry
Director

Date: 25/04/2024

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

	<i>Note</i>	Called up Share Capital £000	Retained Earnings £000	Total Equity £000
Balances as at 1 January 2022		10	610	620
Profit for the financial year		-	815	815
Other comprehensive income for the year		-	-	-
Total comprehensive income for the year		-	815	815
Dividends	12	-	(610)	(610)
Balances at 31 December 2022		10	815	825
Balances at 1 January 2023		10	815	825
Profit for the financial year		-	1,072	1,072
Other comprehensive income for the year		-	-	-
Total comprehensive income for the year		-	1,072	1,072
Dividends	12	-	(815)	(815)
Balances at 31 December 2023		10	1,072	1,082

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**1. General information**

S.T.I. (U.K.) Limited is a private company limited by shares and is incorporated and domiciled in England, United Kingdom. The address of its registered office is Punchbowl 130 Punchbowl Park, Cherry tree Lane, Hemel Hempstead, HP2 7EU. The Company's principal activity is and has been throughout the year, supply chain services for retailers and manufacturers primarily in the UK and the rest of Europe. It is envisaged that this will continue to be the principal activity of the Company for the foreseeable future.

2. Accounting policies**2.1. Basis of preparation of financial statements**

These financial statements are prepared on a going concern basis, under the historical cost convention.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

The following principal accounting policies have been applied consistently to all years presented.

2.2. Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". FRS 102 allows a qualifying entity certain disclosure exemptions, subject to conditions:

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of STI Freight Management GmbH as at and for the year ending 31 December 2023 and these financial statements may be obtained from Geitlingstrasse 20; 47228 Duisburg, Germany.

2.3. Going concern

The Directors believe that preparing the financial statements on the going concern basis is appropriate due to the Company's abilities to meet its day-to-day working capital requirements through its banking facilities. The Company's forecasts and projections, taking account of reasonably possible changes in trading performance show that the Company would be able to operate within the level of its current facilities. The Directors have a reasonable expectation that the Company has access to adequate resources to continue in operational existence for the foreseeable future.

In addition, based on the various scenarios reviewed by the Directors, including a pessimistic yet plausible downside scenario which models no growth in operational activity against the current forecasted performance the Directors expect the Company to continue to have sufficient liquidity. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)

2. Accounting policies (continued)

2.4. Foreign currencies

The Company's functional and presentation currency is the pound sterling.

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'Administrative expenses'.

2.5. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for services rendered net of discounts and rebates allowed by the Company and value added taxes.

The Company recognises revenue when (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the Company retains no continuing involvement or control over the goods; (c) the amount of revenue can be measured reliably; (d) it is probable that future economic benefits will flow to the entity and (e) when the specific criteria relating to the each of the Company's sales channels have been met as described below;

Revenue from the arrangement of freight forwarding services is recognised in the provision of those services at delivery.

2.6. Interest income

Interest income is recognised using the effective interest rate method.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)**2. Accounting policies (continued)****2.7. Employee benefits**

The Company provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined contribution pension plan.

i) Short-term benefits

Short term benefits including holiday pay and other similar non-monetary benefits are recognised as an expense in the period in which the service is received.

ii) Defined Contribution Pension Plans

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations. The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

iii) Annual bonus plan

The Company operates an annual bonus plan for qualifying employees. An expense is recognised in the Statement of Comprehensive Income when the Company has a legal or constructive obligation to make payments under the plan as a result of past events and a reliable estimate of the obligation can be made.

2.8. Current and deferred taxation

Taxation expense for the year comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account.

Current or deferred taxation assets and liabilities are not discounted.

Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted by the year end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These 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 recognised on all timing differences at the reporting date except for certain exceptions.

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

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)**2. Accounting policies (continued)****2.9. Tangible assets**

Tangible assets are stated at cost less accumulated depreciation. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use.

Depreciation on tangible assets is calculated; using the straight-line method, to allocate the depreciable amount over their estimated useful lives, which is determined by group accounting policies, as follows:

Leasehold improvements	over the period of the lease
Office equipment	- 5 to 8 years
Computer equipment	- 3 to 4 years

2.10. Financial instruments

The Company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances are initially recognised at transaction price, 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. Such assets are subsequently carried at amortised costs using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. 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 the Statement of Comprehensive Income.

Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow group companies 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 receipts discounted at a market rate of interest. No complex financial liabilities held.

2.11. Provisions for liabilities

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events: it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Provisions are charged as an expense in the Statement of Comprehensive Income during the year that the Company becomes aware of the obligation and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are offset against the provision carried in the Statement of Financial Position.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)

2. Accounting policies (continued)

2.11. Provisions for liabilities (continued)

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

In particular:

Contingencies

Contingent liabilities are not recognised. Contingent liabilities arise as a result of past events when it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the Company's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

2.12. Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.13. Distribution to Equity Holders

Final dividends distributed to the Company's shareholders are recognised as a liability in the financial statements in the year in which the final dividends are approved by the Company's shareholders. These amounts are recognised in the Statement of Changes in Equity.

2.14. Related party transactions

The Company discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with members of the same group that are wholly owned.

2.15. Operating lease

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

2.16. Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.17. Cash and cash equivalents

Cash and cash equivalent include cash in hand and deposits held at call with banks.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)**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.

There are not deemed to be any critical judgements in applying the Company's accounting policies.

Impairment of debtors

The Company makes an estimate of the recoverable value of trade debtors, management considers factors including the current credit rating of the debtors, the ageing profile of debtors and historical experience.

4. Turnover

Turnover represents the amounts derived from the rendering of services which fall within the Company's ordinary activities, stated net of value added tax.

Turnover is wholly attributable to one class of business being the principal activity of the Company. An analysis of turnover by Customer origin given below:

	2023	2022
	£000	£000
United Kingdom	33,003	35,640
Rest of Europe	7,666	<u>7,962</u>
Total	<u>40,669</u>	<u>43,602</u>

5. Operating profit

Operating profit is stated after charging/(crediting):

	2023	2022
	£000	£000
Depreciation of tangible assets	35	48
Net foreign exchange (gain)/loss	(6)	139
Lease payments	<u>318</u>	<u>305</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)**6. Auditors' Remuneration**

	2023	2022
	£000	£000
Fees payable to the Company's auditors for the audit of the Company's annual financial statements:	<u>67</u>	<u>44</u>
Fees payable to the Company's auditors in respect of:		
Taxation services:	<u>9</u>	<u>14</u>

The directors have agreed with the company's auditors that the auditor's liability to damages for breach of duty in relation to the audit of the company's financial statements for the year to 31 December 2023 should be limited to the greater of £5 million or 5 times the auditor's fees, and that in any event the auditor's liability for damages should be limited to that part of any loss suffered by the company as is just and equitable having regard to the extent to which the auditor, the company and any third parties are responsible for the loss in question. The shareholders waived the need for approval of this limited liability agreement, as required by the Companies Act 2006, by a resolution dated 21 February 2024.

7. Employees

Staff costs, including directors' remuneration, consist of:

	2023	2022
	£000	£000
Wages and salaries	1,858	1,705
Social security costs	220	184
Other pension costs (see note 20)	72	68
	<u>2,150</u>	<u>1,957</u>

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

	2023	2022
	No.	No.
Administration	<u>44</u>	<u>41</u>

8. Directors' Remuneration

The Directors' emoluments were as follows:

	2023	2022
	£000	£000
Aggregate Directors' remuneration	163	165
Amounts received under long-term incentive scheme	84	-
Aggregate value of contributions paid or treated as paid to Pension scheme in respect of money purchase benefits	8	7
Total	<u>255</u>	<u>172</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED**8. Directors' Remuneration (continued)**

One director received remuneration and pension benefits (2022: One) from the Company in the year, in respect of services to the Company.

No director has a direct or indirect interest in any transaction, arrangement or agreement which, in the opinion of the directors, requires disclosure. The annual management charge incurred by the Company includes the services of K Schuettke who is remunerated by other group companies and not by the Company. Having made reasonable efforts, the remuneration of this director in respect of qualifying services to the Company cannot be determined.

Retirement benefits are accrued to one director (2022: One) under the money purchase scheme.

Pensions

One director (2022: One) who served during the year was a member of the pension plan.

9. Interest receivable and similar income

	2023 £000	2022 £000
Interest receivable	213	49
Net gain on foreign currency transaction	6	-
	<u>219</u>	<u>49</u>

10. Interest payable and similar expenses

	2023 £000	2022 £000
Interest payable	4	1
Net loss on foreign currency transaction	-	56
	<u>4</u>	<u>57</u>

11. Tax on profit

The tax charge is made up as follows:

	2023 £000	2022 £000
Current Tax		
UK corporation tax on profit for the year	329	203
Adjustments in respect of prior years	5	-
Total current tax	<u>334</u>	<u>203</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (cc**11. Tax on profit (continued)****Deferred tax**

Origination and reversal of timing differences	6	(10)
Adjustments in respect of prior years	(6)	-
Effect of changes in tax rates	-	(3)
Total deferred tax	-	(13)
Total tax	334	190

Factors affecting tax charge for financial year:

Tax assessed for the year is higher than (2022: lower than) the standard rate of corporation tax in the UK for the year ended 31 December 2023 of 23.50% (2022: 19.00%). The differences are explained below:

	2023	2022
	£000	£000
Profit before taxation	1,406	1,005
Profit before taxation multiplied by the standard rate of UK corporation tax 23.50% (2022: 19.00%)	331	191
Effects of		
Non-deductible expenses	5	2
Adjustments in respect of prior years	(2)	-
Tax rate changes	-	(3)
Total tax charge for the financial year	334	190

Factors affecting current and future tax charges

On 23 September 2022, it was announced that the corporation tax rate would increase from 19.00% to 25.00% with effect from 1 April 2023.

12. Dividends

	2023	2022
	£000	£000
Final dividends payable/paid £81.50 (2022: £61.00) per share	815	610

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)**13. Tangible Assets**

	Leasehold improvements £000	Office equipment £000	Computer equipment £000	Total £000
Cost				
At 1 January 2023	152	91	6	249
Additions	-	1	1	2
At 31 December 2023	152	92	7	251
Accumulated depreciation				
At 1 January 2023	101	91	6	198
Charge for the year	35	-	-	35
At 31 December 2023	136	91	6	233
Net Book Value				
At 31 December 2022	51	-	-	51
At 31 December 2023	16	1	1	18

14. Debtors

	2023 £000	2022 £000
Trade debtors	4,546	6,751
Amounts owed by group undertakings	35	284
Other debtors	485	490
Deferred taxation	43	43
Prepayments and accrued income	84	71
	5,193	7,639

Amounts owed by group undertakings are unsecured, interest free and are repayable on demand. Provision for doubtful debts relating to 2023 were £616k (2022: £673k). Write-offs in the year were £16k (2022: £2k).

15. Cash at bank and in hand

	2023 £000	2022 £000
Cash at bank and in hand	6,133	4,637

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)**16. Creditors: amounts falling due within one year**

	2023	2022
	£000	£000
Trade creditors	5,015	3,148
Amounts owed to group undertakings	108	47
Taxation and social security	308	519
Accruals and deferred income	4,831	7,788
	10,262	11,502

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

17. Deferred Taxation

	2023	2022
	£000	£000
At beginning of year	43	30
(Charged)/credited to profit or loss	(6)	13
Adjustment in respect of previous years	6	-
	43	43

	2023	2022
	£000	£000
Accelerated capital allowances	25	25
Trading timing differences	18	18

18. Called up share capital

	2023	2022
	No.	No.
Allocated, called up and fully paid	£000	£000
Ordinary shares of £1 each	10,000	10,000

19. Reserves**Retained earnings**

Retained earnings represents cumulative profits or losses, net of dividends paid and other adjustments.

20. Pension Commitments

The Company is a member of a group staff pension plan with an insurance company and makes contributions into employees' accounts on a money purchase basis. The cost of contributions to the defined contribution scheme for the year amounts to £72k (2022: £68k). Included within accruals are outstanding pension contributions of £4k (2022: £12k)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)**21. Capital and other commitments**

At 31 December the Company had future minimum lease payments under non-cancellable operating lease commitments in respect of properties, vehicles plant and equipment, for which the payments extend over a number of years.

The future minimum operating lease payments are as follows:

	2023	2022
	£000	£000
Not later than one year	219	305
Later than one year and not later than five years	620	426
	839	731

The company had no other off Balance Sheet arrangements or capital commitments (2022: None).

22. Related party transactions

The Company is exempt from disclosing other related party transactions as they are with other companies that are wholly owned within the Group.

See note 8 for disclosure of the directors' remuneration.

23. Ultimate parent undertaking and controlling party

The ultimate controlling interest in the Company is held by HAVI Group LP and Reyes Holdings LLC. STI Freight Management GmbH, Germany, is the Company's immediate parent undertaking at the year end. HAVI Group LP is the Company's ultimate parent company, which is the smallest and largest group to consolidate these financial statements. Copies of the consolidated financial statements of STI Freight Management GmbH are available at Geitlingstrasse 20; 47228 Duisburg, Germany. Copies of the consolidated financial statements of HAVI Group LP are available at 345 N. Morgan Street Suite 1000, Chicago, Illinois 60607, USA. S.T.I. (U.K.) Limited results are not consolidated into the Reyes Holdings LLC financial statements.

24. Events after the balance sheet date

There are no events to report after the balance sheet date.