

**STRATEGIC REPORT, REPORT OF THE DIRECTOR AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021  
FOR  
PRS DISTRIBUTION LIMITED**

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FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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**PRS DISTRIBUTION LIMITED**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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<b>DIRECTOR:</b>	P D R Sawdon
<b>REGISTERED OFFICE:</b>	Unit 5-7 Airport Gate Business Centre Bath Road Heathrow Harmondsworth West Drayton UB7 0NA
<b>REGISTERED NUMBER:</b>	03768774 (England and Wales)
<b>AUDITORS:</b>	McKenzies Chartered Accountants Statutory Auditors 2 Station Road West Oxted Surrey RH8 9EP
<b>SOLICITORS:</b>	Mishcon De Reya LLP Africa House 70 Kingsway London WC2B 6AH

**STRATEGIC REPORT  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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The director presents his strategic report for the year ended 30 September 2021.

**REVIEW OF BUSINESS**

The principle activity of the company during the year was the provision of logistics and haulage services by road.

The company's turnover in the year increased to £16,109,986 (2020: £14,500,665) however the gross profit margin decreased to 35% (2020: 37%). The EBITDA of the company in the year was £3,065,294 which was a 11% increase on the previous year (2020: £2,749,469).

At the time of this review the director would like to highlight the coronavirus pandemic and the impact on revenues during the year and likely impact on future revenues and profits of the company however the director is satisfied with the current performance of the company as despite the downturn in turnover, was able to manage the business costs and improve on the gross profit margin and EBITDA.

The Director believes that they have acted responsibly in the face of unprecedented risks, supporting staff, maintaining safety and maintaining key customer relationships at this critical time.

During the period from which coronavirus had become a worldwide pandemic, the director was able to maintain sufficient reserves within the company and had adequate financing options available to support the company through the pandemic.

The director has considered that the company will be able to continue trading as normal throughout the coronavirus pandemic and remain to be profitable, therefore it is reasonable to prepare the financial statements on a going concern basis.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The director has a strong emphasis on risk management which endeavours to identify and manage all business risks.

**STRATEGIC AND COMMERCIAL RISK**

There are risks of changes to the competitive and economic environment. This is mitigated by a robust strategy and planning process, and regular monitoring of the economic and competitive environment.

**FINANCIAL RISK**

There is a risk of reducing business value or earning capacity as well as risk of inadequate cash flow to meet financial obligations. This risk is mitigated by proactive management of the business plan, regular monitoring of cash flows and close relationships with important stakeholders within the business.

**OPERATIONAL RISK**

This is a risk of losses arising from inadequate or failed internal processes, from personnel and external events. These are mitigated by regularly monitoring the business risk register against occurring events and business continuity planning.

**ON BEHALF OF THE BOARD:**

P D R Sawdon - Director

31 May 2022

**REPORT OF THE DIRECTOR  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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The director presents his report with the financial statements of the company for the year ended 30 September 2021.

**DIVIDENDS**

The total distribution of dividends during the year ended 30 September 2021 will be £150,000.

**DIRECTOR**

P D R Sawdon was the sole director during the year under review.

The director holding office at 30 September 2021 did not hold any beneficial interest in the issued share capital of the company at 1 October 2020 or 30 September 2021.

**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, McKenzies, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

P D R Sawdon - Director

31 May 2022

### **Opinion**

We have audited the financial statements of PRS Distribution Limited (the 'company') for the year ended 30 September 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 30 September 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.

### **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.

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF PRS DISTRIBUTION LIMITED**

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### **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.

### **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:

#### **Identifying and assessing risks related to irregularities:**

We assessed the susceptibility of the company's financial statements to material misstatement and how fraud might occur, including through discussions with the directors, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the company by discussions with directors and updating our understanding of the sector in which the company operates.

Laws and regulations of direct significance in the context of the company include The Companies Act 2006, and UK Tax legislation.

#### **Audit response to risks identified:**

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

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. 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 Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
PRS DISTRIBUTION LIMITED**

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**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.

Colin McCoy (Senior Statutory Auditor)  
for and on behalf of McKenzies  
Chartered Accountants  
Statutory Auditors  
2 Station Road West  
Oxted  
Surrey  
RH8 9EP

31 May 2022



**INCOME STATEMENT  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

		<b>2021</b>	<b>2020</b>
	Notes	£	£
<b>TURNOVER</b>		<b>16,109,985</b>	14,500,665
Cost of sales		<u>(10,405,556)</u>	<u>(9,064,311)</u>
<b>GROSS PROFIT</b>		<b>5,704,429</b>	5,436,354
Administrative expenses		<u>(4,461,650)</u>	<u>(4,585,764)</u>
		<b>1,242,779</b>	850,590
Other operating income		<u>163,461</u>	<u>279,885</u>
<b>OPERATING PROFIT</b>	4	<b>1,406,240</b>	1,130,475
Interest payable and similar expenses	5	<u>(179,052)</u>	<u>(98,965)</u>
<b>PROFIT BEFORE TAXATION</b>		<b>1,227,188</b>	1,031,510
Tax on profit	6	<u>(31,114)</u>	<u>(349,393)</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b><u>1,196,074</u></b>	<b><u>682,117</u></b>

The notes form part of these financial statements

**OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	Notes	2021 £	2020 £
<b>PROFIT FOR THE YEAR</b>		<b>1,196,074</b>	<b>682,117</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Revaluation of assets		625,070	-
Income tax relating to other comprehensive income		(118,763)	-
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX</b>		<b>506,307</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>1,702,381</b>	<b>682,117</b>

**BALANCE SHEET**  
**30 SEPTEMBER 2021**

		2021		2020	
	Notes	£	£	£	£
<b>FIXED ASSETS</b>					
Intangible assets	8		1,423,425		457,104
Tangible assets	9		6,975,768		6,601,673
Investments	10		<u>1,076,639</u>		<u>1,076,639</u>
			<b>9,475,832</b>		<b>8,135,416</b>
<b>CURRENT ASSETS</b>					
Debtors	11	<b>6,396,459</b>		4,042,800	
Cash at bank		<u>-</u>		<u>76,110</u>	
		<b>6,396,459</b>		<b>4,118,910</b>	
<b>CREDITORS</b>					
Amounts falling due within one year	12	<u><b>7,140,389</b></u>		<u>4,849,419</u>	
<b>NET CURRENT LIABILITIES</b>			<b>(743,930)</b>		<b>(730,509)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>8,731,902</b>		<b>7,404,907</b>
<b>CREDITORS</b>					
Amounts falling due after more than one year	13		<b>(3,179,269)</b>		<b>(3,578,449)</b>
<b>PROVISIONS FOR LIABILITIES</b>	17		<u><b>(705,899)</b></u>		<u><b>(532,105)</b></u>
<b>NET ASSETS</b>			<u><b>4,846,734</b></u>		<u><b>3,294,353</b></u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	18		<b>30,000</b>		<b>30,000</b>
Retained earnings	19		<u><b>4,816,734</b></u>		<u><b>3,264,353</b></u>
<b>SHAREHOLDERS' FUNDS</b>			<u><b>4,846,734</b></u>		<u><b>3,294,353</b></u>

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

P D R Sawdon - Director

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	<b>Called up share capital £</b>	<b>Retained earnings £</b>	<b>Total equity £</b>
<b>Balance at 1 October 2019</b>	30,000	2,732,236	2,762,236
<b>Changes in equity</b>			
Dividends	-	(150,000)	(150,000)
Total comprehensive income	-	682,117	682,117
<b>Balance at 30 September 2020</b>	<u>30,000</u>	<u>3,264,353</u>	<u>3,294,353</u>
<b>Changes in equity</b>			
Dividends	-	(150,000)	(150,000)
Total comprehensive income	-	1,702,381	1,702,381
<b>Balance at 30 September 2021</b>	<u>30,000</u>	<u>4,816,734</u>	<u>4,846,734</u>

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

		2021 £	2020 £
	Notes		
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	3,709,574	(147,479)
Interest paid		(14,958)	(17,977)
Interest element of hire purchase payments paid		(164,094)	(80,988)
Tax paid		(90,000)	(40,072)
Net cash from operating activities		<u>3,440,522</u>	<u>(286,516)</u>
<b>Cash flows from investing activities</b>			
Purchase of intangible fixed assets		(341,251)	(39,546)
Purchase of tangible fixed assets		(435,480)	(38,102)
Sale of tangible fixed assets		45,900	146,215
Interest received		15,780	9,300
Net cash from investing activities		<u>(715,051)</u>	<u>77,867</u>
<b>Cash flows from financing activities</b>			
New loans in year		-	1,090,000
Loan repayments in year		(116,402)	(15,056)
Capital repayments in year		(1,817,213)	(1,255,113)
Amount introduced by directors		198,581	1,130,292
Amount withdrawn by directors		(934,957)	(514,572)
Equity dividends paid		(150,000)	(150,000)
Net cash from financing activities		<u>(2,819,991)</u>	<u>285,551</u>
<b>(Decrease)/increase in cash and cash equivalents</b>		<u>(94,520)</u>	<u>76,902</u>
<b>Cash and cash equivalents at beginning of year</b>	2	76,110	(792)
<b>Cash and cash equivalents at end of year</b>	2	<u>(18,410)</u>	<u>76,110</u>

The notes form part of these financial statements

**NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Profit before taxation	<b>1,227,188</b>	1,031,510
Depreciation charges	<b>1,658,742</b>	1,607,566
Loss/(profit) on disposal of fixed assets	<b>17,268</b>	(28,279)
Finance Income	<b>(15,780)</b>	(9,300)
Finance costs	<b>179,052</b>	98,965
	<b>3,066,470</b>	2,700,462
(Increase)/decrease in trade and other debtors	<b>(1,617,283)</b>	213,073
Increase/(decrease) in trade and other creditors	<b>2,260,387</b>	(3,061,014)
<b>Cash generated from operations</b>	<b>3,709,574</b>	<b>(147,479)</b>

**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 30 September 2021**

	<b>30.9.21</b>	<b>1.10.20</b>
	<b>£</b>	<b>£</b>
Cash and cash equivalents	-	<b>76,110</b>
Bank overdrafts	<b>(18,410)</b>	-
	<b>(18,410)</b>	<b>76,110</b>

**Year ended 30 September 2020**

	<b>30.9.20</b>	<b>1.10.19</b>
	<b>£</b>	<b>£</b>
Cash and cash equivalents	76,110	-
Bank overdrafts	-	(792)
	<b>76,110</b>	<b>(792)</b>

NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 SEPTEMBER 2021

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.10.20 £	Cash flow £	Other non-cash changes £	At 30.9.21 £
<b>Net cash</b>				
Cash at bank	76,110	(76,110)		-
Bank overdrafts	-	(18,410)		(18,410)
	<u>76,110</u>	<u>(94,520)</u>		<u>(18,410)</u>
<b>Debt</b>				
Finance leases	(4,354,989)	1,817,213	(1,896,828)	(4,198,301)
Debts falling due within 1 year	(100,108)	(117,892)	-	(218,000)
Debts falling due after 1 year	<u>(1,037,794)</u>	<u>234,294</u>	<u>-</u>	<u>(803,500)</u>
	<u>(5,492,891)</u>	<u>1,933,615</u>	<u>(1,896,828)</u>	<u>(5,219,801)</u>
<b>Total</b>	<u>(5,416,781)</u>	<u>1,839,095</u>	<u>(1,896,828)</u>	<u>(5,238,211)</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021

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1. **STATUTORY INFORMATION**

PRS Distribution 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.

The presentation currency of the financial statements is the Pound Sterling (£).

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 as modified by the revaluation of certain assets.

**Revenue recognition**

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

Revenue is recognised based on the completion date of services provided during the year, which is also the date of the invoice.

**Intangible assets**

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Patents and licences are being amortised evenly over their estimated useful life of nil years.

**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.

Freehold property	- Straight line over the life of the lease
Plant and machinery	- 25% on cost
Fixtures and fittings	- 25% on cost
Commercial Vehicles	- 25% on cost
Computer equipment	- 33% on cost



**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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**2. ACCOUNTING POLICIES - continued**

**Financial instruments**

**i) Financial assets**

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

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

**ii) Financial liabilities**

Basic financial liabilities, including trade and other payables, bank loans, and loans from fellow Group companies 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.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

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

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

**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.

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 SEPTEMBER 2021

2. ACCOUNTING POLICIES - continued

**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.

**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.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

**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.

**Factoring**

The company discounts its sales to a financial institution. The accounting policy adopted by the company is to reflect these transactions as follows: (i) Trade debtors are stated in full and presented within current assets. (ii) Sums advanced by the invoice discounting institution are presented as creditors due within one year. (iii.) Interest charged on monies advanced are provided for as finance costs as they are accrued. (iv) Other invoice discounted costs are included within administrative expenses as they are accrued.

**Fixed asset investments**

Fixed asset investments are stated at their fair value at the balance sheet date.

3. EMPLOYEES AND DIRECTORS

	2021	2020
	£	£
Wages and salaries	3,759,825	3,843,073
Social security costs	377,593	390,857
Other pension costs	77,547	87,302
	<u>4,214,965</u>	<u>4,321,232</u>

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

	2021	2020
Average Staff numbers in total	<u>98</u>	<u>103</u>

	2021	2020
	£	£
Director's remuneration	2,500	19,431
Director's pension contributions to money purchase schemes	<u>-</u>	<u>8,715</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 SEPTEMBER 2021

4. OPERATING PROFIT

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

	2021 £	2020 £
Hire of plant and machinery	-	20,121
Depreciation - owned assets	234,708	247,211
Depreciation - assets on hire purchase contracts	1,424,034	1,360,356
Loss/(profit) on disposal of fixed assets	<u>17,268</u>	<u>(28,279)</u>

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021 £	2020 £
Bank interest	7,260	2,213
Bank loan interest	7,698	1,592
Hire Purchase loan interest	155,917	80,988
Finance Charges	<u>8,177</u>	<u>14,172</u>
	<u>179,052</u>	<u>98,965</u>

6. TAXATION

Analysis of the tax charge

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

	2021 £	2020 £
Current tax:		
UK corporation tax	-	155,431
Deferred tax	<u>31,114</u>	<u>193,962</u>
Tax on profit	<u>31,114</u>	<u>349,393</u>

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:

	2021 £	2020 £
Profit before tax	<u>1,227,188</u>	<u>1,031,510</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	233,166	195,987
Effects of:		
Expenses not deductible for tax purposes	2,867	1,784
Capital allowances in excess of depreciation	(323,682)	-
Depreciation in excess of capital allowances	-	151,622
Deferred tax on revaluation of fixed assets	<u>118,763</u>	<u>-</u>
Total tax charge	<u>31,114</u>	<u>349,393</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 SEPTEMBER 2021

6. **TAXATION - continued**

Tax effects relating to effects of other comprehensive income

	Gross £	2021 Tax £	Net £
Revaluation of assets	<u>625,070</u>	<u>(118,763)</u>	<u>506,307</u>

7. **DIVIDENDS**

	2021 £	2020 £
Ordinary shares of 1 each		
Final	<u>150,000</u>	<u>150,000</u>

8. **INTANGIBLE FIXED ASSETS**

	Patents and licences £
<b>COST OR VALUATION</b>	
At 1 October 2020	457,104
Additions	341,251
Revaluations	625,070
At 30 September 2021	<u>1,423,425</u>
<b>NET BOOK VALUE</b>	
At 30 September 2021	<u>1,423,425</u>
At 30 September 2020	<u>457,104</u>

Cost or valuation at 30 September 2021 is represented by:

	Patents and licences £
Valuation in 2021	<u>1,423,425</u>

The patents and licences were valued on an open market basis on 30 September 2021 by the Director. .

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 SEPTEMBER 2021

9. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £
<b>COST</b>			
At 1 October 2020	126,405	535,696	140,715
Additions	-	74,296	55,127
Disposals	-	-	-
At 30 September 2021	126,405	609,992	195,842
<b>DEPRECIATION</b>			
At 1 October 2020	34,658	283,464	136,509
Charge for year	17,904	114,252	25,859
Eliminated on disposal	-	-	-
At 30 September 2021	52,562	397,716	162,368
<b>NET BOOK VALUE</b>			
At 30 September 2021	73,843	212,276	33,474
At 30 September 2020	91,747	252,232	4,206

  

	Commercial Vehicles £	Computer equipment £	Totals £
<b>COST</b>			
At 1 October 2020	10,781,389	751,267	12,335,472
Additions	1,896,828	69,754	2,096,005
Disposals	(101,224)	-	(101,224)
At 30 September 2021	12,576,993	821,021	14,330,253
<b>DEPRECIATION</b>			
At 1 October 2020	4,751,414	527,754	5,733,799
Charge for year	1,353,958	146,769	1,658,742
Eliminated on disposal	(38,056)	-	(38,056)
At 30 September 2021	6,067,316	674,523	7,354,485
<b>NET BOOK VALUE</b>			
At 30 September 2021	6,509,677	146,498	6,975,768
At 30 September 2020	6,029,975	223,513	6,601,673

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 SEPTEMBER 2021

9. TANGIBLE FIXED ASSETS - continued

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

	Plant and machinery £	Commercial Vehicles £	Computer equipment £	Totals £
<b>COST</b>				
At 1 October 2020	131,731	8,480,549	213,762	8,826,042
Additions	-	1,896,828	-	1,896,828
Disposals	-	(101,224)	-	(101,224)
At 30 September 2021	131,731	10,276,153	213,762	10,621,646
<b>DEPRECIATION</b>				
At 1 October 2020	98,042	2,793,131	80,156	2,971,329
Charge for year	34,440	1,336,158	53,436	1,424,034
Eliminated on disposal	-	(38,056)	-	(38,056)
At 30 September 2021	132,482	4,091,233	133,592	4,357,307
<b>NET BOOK VALUE</b>				
At 30 September 2021	(751)	6,184,920	80,170	6,264,339
At 30 September 2020	33,689	5,687,418	133,606	5,854,713

10. FIXED ASSET INVESTMENTS

Investments (neither listed nor unlisted) were as follows:

	2021 £	2020 £
Art work and other investments	1,076,639	1,076,639

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade debtors	4,428,692	3,322,254
Other debtors	531,681	174,295
Shareholder's current account	759,307	22,931
Accrued income	52,315	36,535
Prepayments	624,464	486,785
	6,396,459	4,042,800

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Bank loans and overdrafts (see note 14)	236,410	100,108
Hire purchase contracts (see note 15)	1,822,532	1,814,334
Trade creditors	1,789,410	1,020,428
Tax	129,823	243,740
Social security and other taxes	118,928	90,556
VAT	691,916	786,728
Other creditors	90,767	427,155
Owed to factors	2,240,762	350,732
Accrued expenses	19,841	15,638
	7,140,389	4,849,419

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 SEPTEMBER 2021

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

	2021	2020
	£	£
Bank loans (see note 14)	803,500	1,037,794
Hire purchase contracts (see note 15)	2,375,769	2,540,655
	<u>3,179,269</u>	<u>3,578,449</u>

14. LOANS

An analysis of the maturity of loans is given below:

	2021	2020
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	18,410	-
Bank loans	218,000	100,108
	<u>236,410</u>	<u>100,108</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>218,000</u>	<u>234,294</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>585,500</u>	<u>654,000</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans more 5 yr by instal	<u>-</u>	<u>149,500</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 SEPTEMBER 2021

15. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2021	2020
	£	£
Gross obligations repayable:		
Within one year	1,945,654	1,910,592
Between one and five years	2,551,067	2,704,948
	<u>4,496,721</u>	<u>4,615,540</u>
Finance charges repayable:		
Within one year	123,122	96,258
Between one and five years	175,298	164,293
	<u>298,420</u>	<u>260,551</u>
Net obligations repayable:		
Within one year	1,822,532	1,814,334
Between one and five years	2,375,769	2,540,655
	<u>4,198,301</u>	<u>4,354,989</u>
	Non-cancellable	operating leases
	2021	2020
	£	£
Within one year	285,073	647,873
Between one and five years	272,659	1,154,158
	<u>557,732</u>	<u>1,802,031</u>

16. SECURED DEBTS

The following secured debts are included within creditors:

	2021	2020
	£	£
Bank overdraft	18,410	-
Owed to Factors	2,240,762	350,732
Bank loans	4,167	47,902
	<u>2,263,339</u>	<u>398,634</u>

The bank overdraft and loan are secured over the the company's assets by means of the Banks's standard debenture dated 11 July 2005. The director has also provided a personal guarantee.

A debenture dated 31 May 2012 was created in favour of RBS Invoice Finance Limited. The loan from the factor is secured by way of a fixed charge over the company assets and a floating charge over the remaining assets of the company.



NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 SEPTEMBER 2021

17. PROVISIONS FOR LIABILITIES

	2021 £	2020 £
Deferred tax	<u>705,899</u>	<u>532,105</u>
		<b>Deferred tax</b>
		£
Balance at 1 October 2020		532,105
Provided during year		<u>173,794</u>
Balance at 30 September 2021		<u>705,899</u>

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2021 £	2020 £
30,000	Ordinary	1	<u>30,000</u>	<u>30,000</u>

19. RESERVES

	<b>Retained earnings</b>
	£
At 1 October 2020	3,264,353
Profit for the year	1,196,074
Dividends	(150,000)
Revaluation reserve	<u>506,307</u>
At 30 September 2021	<u>4,816,734</u>

20. ULTIMATE CONTROLLING PARTY

The director considers the ultimate controlling party to be Michelle Sachs.

21. RELATED PARTY DISCLOSURES

PRS Logistics Limited is a company in which Mr P Sawdon is a director and shareholder. At the balance sheet date included within debtors was £251,486 (2020: £213,977 creditor), the amount represents a non-interest bearing loan that is repayable on demand.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.