

**STRATEGIC REPORT,
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2022
FOR
IT FLEET AUTOMOTIVE LIMITED**

IT FLEET AUTOMOTIVE LIMITED (REGISTERED NUMBER: 04223523)

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FOR THE YEAR ENDED 30 NOVEMBER 2022**

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IT FLEET AUTOMOTIVE LIMITED

COMPANY INFORMATION FOR THE YEAR ENDED 30 NOVEMBER 2022

DIRECTORS: Mr AWJ Timmis
Mrs KB Timmis

SECRETARY: Mrs KB Timmis

REGISTERED OFFICE: IT House, Notley Park
Raydon Road
Great Wenham
Colchester
Essex
CO7 6QD

REGISTERED NUMBER: 04223523 (England and Wales)

SENIOR STATUTORY AUDITOR: Mark Harrison FCA BA (Hons)

AUDITORS: Mark J Rees LLP Chartered Accountants
Granville Hall
Granville Road
Leicester
Leicestershire
LE1 7RU

IT FLEET AUTOMOTIVE LIMITED (REGISTERED NUMBER: 04223523)

STRATEGIC REPORT FOR THE YEAR ENDED 30 NOVEMBER 2022

The directors aim to provide a balanced and comprehensive review of the development and performance of the business during the year and its position at the year end. The review is consistent with the size and nature of the business and is written in the context of the risks and uncertainties faced.

IT Fleet Automotive Limited offers a complete vehicle de-fleet and fulfilment provision to remarketing services and fleet organisations and has become one of the UK's leading automotive service providers.

The company provides transport, appraisal, refurbishment and storage services with an emphasis on quality, flexibility and enhanced residual values, with their extensive industry expertise.

Website address www.itfleet.co.uk

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

Despite an operating loss of £749,168, the directors are pleased with the overall direction of the financial performance as the operating loss was driven by ongoing macro factors, primarily being the continuing impact of Covid19 lockdowns and the global supply chain issues that have restricted the supply of new vehicles.

Both turnover and gross profit percentage have increased

The impact of the organisational changes are now showing positive results.

FINANCIAL KEY PERFORMANCE INDICATORS

The directors consider that the key performance indicators are those that communicate the financial performance and strength of the company as a whole, being revenue, operating profit and gross profit margin.

The turnover and operating profit of the company was as follows:

KPI's £	2022	2021
Revenue	26,315	21,765
Operating Loss	749	1,338
Gross Margin	12.8%	12.7%

The increase in revenue and gross profit margin compared to prior year was principally driven by an increase in refurbishment revenue and the benefit of a new management contract.

Although the company incurred a loss in the year, this has been replaced with operating profit following year end and the directors are confident this trend will continue.

IT FLEET AUTOMOTIVE LIMITED (REGISTERED NUMBER: 04223523)

STRATEGIC REPORT FOR THE YEAR ENDED 30 NOVEMBER 2022

PRINCIPAL RISKS AND UNCERTAINTIES

As for many businesses of this size, the business environment in which the company operates continues to be challenging. The company faces competition in its markets from other major suppliers of fleet services, and is of course subject to consumer and commercial spending patterns and the overall level of disposable income within the economy. However, the business continues to mitigate these risks by maintaining a broad customer base and focusing, where possible, on less economically cyclical segments of the market.

With these risks and uncertainties in mind, we are aware that any plans for the future development of the business may be subject to unforeseen events outside of our control. However, we are confident that with all the cost saving initiatives, margin improvement, the Arbuthnot Bank facility and shareholder support, together with our loyal and diverse customer portfolio that is well spread across a number of sectors, the business will continue as a going concern.

FUTURE ACTIVITIES

The company remains focused on improving service levels and understanding the changing needs of its customers.

Since the year end the company has replaced several older transporters with new vehicles and also increased its fleet size to ensure it can fulfil the increased demand for its logistics services.

The refurbishment side of the business continues to grow as the independent capacity in the market reduces. Refurbishment revenue in FY22, was more than 70% above prior year.

ON BEHALF OF THE BOARD:

Mr AWJ Timmis - Director

30 August 2023

IT FLEET AUTOMOTIVE LIMITED (REGISTERED NUMBER: 04223523)

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 NOVEMBER 2022

The directors present their report with the financial statements of the company for the year ended 30 November 2022.

DIVIDENDS

No dividends will be distributed for the year ended 30 November 2022.

RESEARCH AND DEVELOPMENT

Research and development activities are undertaken on the company's white labelling IT software.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 December 2021 to the date of this report.

Mr AWJ Timmis

Mrs KB Timmis

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are 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 each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

IT FLEET AUTOMOTIVE LIMITED (REGISTERED NUMBER: 04223523)

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 NOVEMBER 2022**

AUDITORS

The auditors, Mark J Rees LLP Chartered Accountants, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

Mr AWJ Timmis - Director

30 August 2023

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF IT FLEET AUTOMOTIVE LIMITED

Opinion

We have audited the financial statements of IT Fleet Automotive Limited (the 'company') for the year ended 30 November 2022 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 November 2022 and of its loss 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.

Material uncertainty related to going concern

We draw attention to note 2 in the financial statements, which indicates that the group incurred a net loss before tax of £1,049,882 during the year ended 30 November 2022 and, as of that date, the group's current liabilities exceeded its total assets by £3,554,020. As stated in note 2, these events or conditions, along with other matters as set forth in note 2, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. However, as disclosed the ongoing support of the company's finance facilities for a period of 12 months from the date of approval has been obtained. In addition, the directors have confirmed that their loan accounts will not be drawn from the company for a period of at least 12 months from year end. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, 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 Directors 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 Directors have been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF IT FLEET AUTOMOTIVE 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 Directors.

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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page four, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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 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:

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.

We have determined that the principal risk areas where material irregularities could occur were related to posting manual journal entries to manipulate financial performance, revenue recognition and significant one-off or unusual transactions.

Our audit procedures were designed to respond in particular to these identified risks (including non compliance with laws and regulations and fraud).

Our audit procedures included, but were not limited to:

- A review of a sample of orders received in the year to ensure they were correctly recorded in revenue and detailed cut off testing around the year end to ensure revenue is correctly recognised.
- A review of laws and regulations the company is subject to, being specifically health and safety, followed by compliance checks and discussions with management to ensure no instances of non compliance.
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

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 IT FLEET AUTOMOTIVE 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.

Mark Harrison FCA BA (Hons) (Senior Statutory Auditor)
for and on behalf of Mark J Rees LLP Chartered Accountants
Granville Hall
Granville Road
Leicester
Leicestershire
LE1 7RU

30 August 2023

IT FLEET AUTOMOTIVE LIMITED (REGISTERED NUMBER: 04223523)**INCOME STATEMENT
FOR THE YEAR ENDED 30 NOVEMBER 2022**

	Notes	2022 £	2021 £
TURNOVER		26,315,459	21,765,182
Cost of sales		<u>22,933,203</u>	<u>18,999,881</u>
GROSS PROFIT		3,382,256	2,765,301
Administrative expenses		<u>4,131,424</u>	<u>4,103,634</u>
		(749,168)	(1,338,333)
Other operating income		<u>-</u>	<u>502,265</u>
OPERATING LOSS	4	(749,168)	(836,068)
Interest payable and similar expenses	5	<u>300,714</u>	<u>58,292</u>
LOSS BEFORE TAXATION		(1,049,882)	(894,360)
Tax on loss	6	<u>(186,248)</u>	<u>(162,189)</u>
LOSS FOR THE FINANCIAL YEAR		(863,634)	(732,171)

The notes form part of these financial statements

IT FLEET AUTOMOTIVE LIMITED (REGISTERED NUMBER: 04223523)

**OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 NOVEMBER 2022**

	Notes	2022 £	2021 £
LOSS FOR THE YEAR		(863,634)	(732,171)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>(863,634)</u>	<u>(732,171)</u>

The notes form part of these financial statements

IT FLEET AUTOMOTIVE LIMITED (REGISTERED NUMBER: 04223523)**BALANCE SHEET
30 NOVEMBER 2022**

		2022		2021
	Notes	£	£	£
FIXED ASSETS				
Intangible assets	7		3,750	5,250
Tangible assets	8		869,575	963,177
Investments	9		<u>100</u>	<u>100</u>
			873,425	968,527
CURRENT ASSETS				
Stocks	10	87,331		82,311
Debtors	11	5,594,298		4,323,300
Cash at bank and in hand		<u>47,724</u>		<u>140,559</u>
		5,729,353		4,546,170
CREDITORS				
Amounts falling due within one year	12	<u>7,355,468</u>		<u>6,622,720</u>
NET CURRENT LIABILITIES			(1,626,115)	(2,076,550)
TOTAL ASSETS LESS CURRENT LIABILITIES			(752,690)	(1,108,023)
CREDITORS				
Amounts falling due after more than one year	13		<u>2,801,330</u>	<u>1,582,363</u>
NET LIABILITIES			(3,554,020)	(2,690,386)
CAPITAL AND RESERVES				
Called up share capital	18		178,100	178,100
Retained earnings	19		<u>(3,732,120)</u>	<u>(2,868,486)</u>
SHAREHOLDERS' FUNDS			(3,554,020)	(2,690,386)

The financial statements were approved by the Board of Directors and authorised for issue on 30 August 2023 and were signed on its behalf by:

Mr AWJ Timmis - Director

The notes form part of these financial statements

IT FLEET AUTOMOTIVE LIMITED (REGISTERED NUMBER: 04223523)**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 NOVEMBER 2022**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 December 2020	178,100	(2,136,315)	(1,958,215)
Changes in equity			
Total comprehensive income	-	(732,171)	(732,171)
Balance at 30 November 2021	<u>178,100</u>	<u>(2,868,486)</u>	<u>(2,690,386)</u>
Changes in equity			
Total comprehensive income	-	(863,634)	(863,634)
Balance at 30 November 2022	<u>178,100</u>	<u>(3,732,120)</u>	<u>(3,554,020)</u>

The notes form part of these financial statements

IT FLEET AUTOMOTIVE LIMITED (REGISTERED NUMBER: 04223523)**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 NOVEMBER 2022**

		2022	2021
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	1	(789,234)	(953,796)
Interest paid		(294,955)	(44,588)
Interest element of hire purchase and finance lease rental payments paid		(5,759)	(13,704)
Tax paid		47,844	85,671
Net cash from operating activities		<u>(1,042,104)</u>	<u>(926,417)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(200,691)	(124,654)
Sale of tangible fixed assets		49,735	75,093
Net cash from investing activities		<u>(150,956)</u>	<u>(49,561)</u>
Cash flows from financing activities			
New loans in year		1,007,397	-
Loan repayments in year		(399,996)	-
Capital repayments in year		(19,683)	(44,606)
Amount introduced by directors		1,113,294	11,160
Amount withdrawn by directors		(600,787)	(8,372)
Net cash from financing activities		<u>1,100,225</u>	<u>(41,818)</u>
Decrease in cash and cash equivalents		<u>(92,835)</u>	<u>(1,017,796)</u>
Cash and cash equivalents at beginning of year	2	140,559	1,158,355
Cash and cash equivalents at end of year	2	<u>47,724</u>	<u>140,559</u>

The notes form part of these financial statements

IT FLEET AUTOMOTIVE LIMITED (REGISTERED NUMBER: 04223523)

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 30 NOVEMBER 2022

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

	2022	2021
	£	£
Loss before taxation	(1,049,882)	(894,360)
Depreciation charges	189,978	192,255
Loss on disposal of fixed assets	56,081	12,014
Government grants	-	(472,978)
Finance costs	300,714	58,292
	<u>(503,109)</u>	<u>(1,104,777)</u>
Increase in stocks	(5,020)	(37,284)
(Increase)/decrease in trade and other debtors	(1,121,625)	523,132
Increase/(decrease) in trade and other creditors	840,520	(334,867)
Cash generated from operations	<u>(789,234)</u>	<u>(953,796)</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 30 November 2022

	30.11.22	1.12.21
	£	£
Cash and cash equivalents	<u>47,724</u>	<u>140,559</u>

Year ended 30 November 2021

	30.11.21	1.12.20
	£	£
Cash and cash equivalents	<u>140,559</u>	<u>1,158,355</u>

The notes form part of these financial statements

IT FLEET AUTOMOTIVE LIMITED (REGISTERED NUMBER: 04223523)**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 NOVEMBER 2022**

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.12.21 £	Cash flow £	At 30.11.22 £
Net cash			
Cash at bank and in hand	<u>140,559</u>	<u>(92,835)</u>	<u>47,724</u>
	<u>140,559</u>	<u>(92,835)</u>	<u>47,724</u>
Debt			
Hire purchase and finance leases	(41,061)	19,683	(21,378)
Debts falling due within 1 year	(399,996)	-	(399,996)
Debts falling due after 1 year	<u>(1,566,671)</u>	<u>(618,341)</u>	<u>(2,185,012)</u>
	<u>(2,007,728)</u>	<u>(598,658)</u>	<u>(2,606,386)</u>
Total	<u>(1,867,169)</u>	<u>(691,493)</u>	<u>(2,558,662)</u>

The notes form part of these financial statements

IT FLEET AUTOMOTIVE LIMITED (REGISTERED NUMBER: 04223523)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2022

1. COMPANY INFORMATION

IT Fleet Automotive Limited is a private limited company (registered number: 04223523) which is incorporated and domiciled in the United Kingdom. The address of its registered office is IT House, Notley Park, Raydon Road, Great Wenham, Colchester, Essex, CO7 6QD, United Kingdom.

The principal activities of IT Fleet Automotive Limited consist of providing transport, appraisal and refurbishment services within the motor industry.

The presentation currency of the financial statements is in 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.

Preparation of consolidated financial statements

The financial statements contain information about IT Fleet Automotive Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 402 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as the inclusion of its subsidiary is not material for the purpose of giving a true and fair view.

Significant judgements and estimates

In preparing the financial statements, management is required to exercise judgement in making estimates and assumptions that affect reported amounts and disclosures. These 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. Actual results could differ from those estimates and assumptions. The following accounting policies have been identified as being particularly sensitive to complex or subjective judgements or estimates:

Performance and revenue recognition for work in progress

The company derives a significant proportion of its revenue from the supply of refurbishment of vehicles. The amount invoiced is agreed prior to the work being carried out. Where the outcome can be estimated reliably, refurbishment revenue is recognised to the extent that the services have been performed. Performance is measured based on the stage of completion. Management judgement and experience is required to determine the completeness of those forecasts, the recoverability of the costs incurred and the revenue recognised on jobs in progress.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2022**

2. ACCOUNTING POLICIES - continued

Turnover

Turnover represents net invoiced sales of goods and services, excluding value added tax.

Turnover in respect of vehicle transport is recognised at the point vehicles are delivered.

Turnover in respect of vehicle refurbishment is recognised based on the stage of completion. Adjustments are made for refurbishment work undertaken which is not invoiced at the year end. Invoiced sales for work completed after the year end are adjusted as deferred income according to the stage of completion.

Turnover in respect of vehicle storage charges are recognised over the storage period. Storage administration charges are recognised at the start of the storage period.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2006, is being amortised evenly over its estimated useful life. The remaining estimated useful life as at the year-end is two and a half years.

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.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Short leasehold	- 10% straight line and equal instalments over the lease period
Plant and machinery	- 15% on reducing balance
Fixtures and fittings	- 15% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 15% on reducing balance

Depreciation is provided from the month of acquisition.

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

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 NOVEMBER 2022**

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.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

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.

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.

Debtors

Short term debtors are measured at fair value and subsequently at amortised cost.

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

Creditors

Short term creditors are measured at fair value and subsequently at amortised cost.

Other financial liabilities, including bank loans are measured initially at fair value, net of transaction costs, and are measured subsequently, where material, at amortised cost using the effective interest method, less any impairment.

IT FLEET AUTOMOTIVE LIMITED (REGISTERED NUMBER: 04223523)

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 30 NOVEMBER 2022

2. ACCOUNTING POLICIES - continued

Going concern

At the year end the company's liabilities exceeded its assets by £3,554,020.

The company depends on its finance facilities and creditors to meet its day to day working capital requirements. The company's finance providers have confirmed their continued support for a minimum of 12 months from the approval of these financial statements.

The directors have also confirmed that balances on loan accounts due to them amounting to £600,787 (note 21) will remain within the company for a minimum of 12 months from year end, further improving working capital requirements.

The company has made use of government support packages available, access to a CBIL loan and RLS Loan.

Due to the current climate and the above there is a material uncertainty relating to going concern.

The directors consider that the facilities being offered by the finance providers along with the measures taken to control costs are sufficient to provide adequate resources to support the going concern basis of accounting in preparing the financial statements.

3. EMPLOYEES AND DIRECTORS

	2022	2021
	£	£
Wages and salaries	5,949,728	5,687,763
Social security costs	634,569	532,395
Other pension costs	198,688	194,384
	<u>6,782,985</u>	<u>6,414,542</u>

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

	2022	2021
Administration staff	30	32
Production staff	153	157
	<u>183</u>	<u>189</u>

	2022	2021
	£	£
Directors' remuneration	<u>373,053</u>	<u>337,727</u>

Information regarding the highest paid director is as follows:

	2022	2021
	£	£
Emoluments etc	<u>246,354</u>	<u>192,490</u>

IT FLEET AUTOMOTIVE LIMITED (REGISTERED NUMBER: 04223523)**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2022****4. OPERATING LOSS**

The operating loss is stated after charging:

	2022	2021
	£	£
Hire of plant and machinery	58,555	81,263
Depreciation - owned assets	188,477	190,756
Loss on disposal of fixed assets	56,081	12,014
Goodwill amortisation	1,500	1,500
Auditors remuneration	<u>11,000</u>	<u>11,300</u>

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	2022	2021
	£	£
Bank interest	187,351	44,588
Factoring interest	85,165	-
Other interest	22,439	-
Hire purchase	<u>5,759</u>	<u>13,704</u>
	<u>300,714</u>	<u>58,292</u>

6. TAXATION**Analysis of the tax credit**

The tax credit on the loss for the year was as follows:

	2022	2021
	£	£
Current tax:		
UK corporation tax	-	(47,791)
Deferred taxation	<u>(186,248)</u>	<u>(114,398)</u>
Tax on loss	<u>(186,248)</u>	<u>(162,189)</u>

UK corporation tax has been charged at 19% (2021 - 19%).

IT FLEET AUTOMOTIVE LIMITED (REGISTERED NUMBER: 04223523)**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2022****6. TAXATION - continued****Reconciliation of total tax credit included in profit and loss**

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

	2022	2021
	£	£
Loss before tax	<u>(1,049,882)</u>	<u>(894,360)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	(199,478)	(169,928)
Effects of:		
Expenses not deductible for tax purposes	81,206	1,487
Depreciation in excess of capital allowances	55,764	27,490
Research and development enhanced expenditure	-	(47,791)
Adjustment to tax charge in respect of previous periods year	-	26,553
Provision of losses carried forward	<u>(123,740)</u>	<u>-</u>
Total tax credit	<u>(186,248)</u>	<u>(162,189)</u>

7. INTANGIBLE FIXED ASSETS

	Goodwill
	£
COST	
At 1 December 2021 and 30 November 2022	<u>30,000</u>
AMORTISATION	
At 1 December 2021	24,750
Amortisation for year	<u>1,500</u>
At 30 November 2022	<u>26,250</u>
NET BOOK VALUE	
At 30 November 2022	<u>3,750</u>
At 30 November 2021	<u>5,250</u>

IT FLEET AUTOMOTIVE LIMITED (REGISTERED NUMBER: 04223523)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2022**

8. TANGIBLE FIXED ASSETS

	Short leasehold £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 December 2021	619,345	903,832	383,420
Additions	26,844	44,477	20,523
Disposals	(5,801)	(205,691)	(336,064)
At 30 November 2022	<u>640,388</u>	<u>742,618</u>	<u>67,879</u>
DEPRECIATION			
At 1 December 2021	484,947	732,840	315,327
Charge for year	43,867	24,954	10,787
Eliminated on disposal	(1,075)	(177,360)	(292,267)
Transfer to ownership	32,196	(5,925)	(491)
At 30 November 2022	<u>559,935</u>	<u>574,509</u>	<u>33,356</u>
NET BOOK VALUE			
At 30 November 2022	<u>80,453</u>	<u>168,109</u>	<u>34,523</u>
At 30 November 2021	<u>134,398</u>	<u>170,992</u>	<u>68,093</u>
	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 December 2021	107,708	1,115,957	3,130,262
Additions	108,847	-	200,691
Disposals	(39,000)	-	(586,556)
At 30 November 2022	<u>177,555</u>	<u>1,115,957</u>	<u>2,744,397</u>
DEPRECIATION			
At 1 December 2021	21,960	612,011	2,167,085
Charge for year	34,651	74,218	188,477
Eliminated on disposal	(10,038)	-	(480,740)
Transfer to ownership	-	(25,780)	-
At 30 November 2022	<u>46,573</u>	<u>660,449</u>	<u>1,874,822</u>
NET BOOK VALUE			
At 30 November 2022	<u>130,982</u>	<u>455,508</u>	<u>869,575</u>
At 30 November 2021	<u>85,748</u>	<u>503,946</u>	<u>963,177</u>

IT FLEET AUTOMOTIVE LIMITED (REGISTERED NUMBER: 04223523)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2022**

9. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 December 2021 and 30 November 2022	<u>100</u>
NET BOOK VALUE	
At 30 November 2022	<u>100</u>
At 30 November 2021	<u>100</u>

The company's investments at the Balance Sheet date in the share capital of companies include the following:

IT Fleet Automotive Scotland Limited

Registered office: 3 Guardwell Crescent, Edinburgh, EH17 7JA

Nature of business: Fleet services

	%		
Class of shares:	holding		
Ordinary shares	100.00		
		2022	2021
		£	£
Aggregate capital and reserves		410	410
Loss for the year		<u>(35)</u>	<u>(35)</u>

IT Fleet Automotive Scotland Limited was dissolved in January 2023.

10. STOCKS

	2022	2021
	£	£
Stocks	<u>87,331</u>	<u>82,311</u>

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade debtors	3,168,453	2,635,364
Bad debt provision	(18,526)	(10,140)
Amounts owed by group undertakings	544	13,509
Other debtors	122,717	130,948
Taxation	33,422	81,266
Deferred tax asset	395,184	208,935
Prepayments and accrued income	<u>1,892,504</u>	<u>1,263,418</u>
	<u>5,594,298</u>	<u>4,323,300</u>

IT FLEET AUTOMOTIVE LIMITED (REGISTERED NUMBER: 04223523)**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2022****11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - continued**

Deferred tax asset	2022	2021
	£	£
Accelerated capital allowances	(117,892)	(129,343)
Tax losses carried forward	513,076	338,278
	<u>395,184</u>	<u>208,935</u>

Included within trade debtors at the year end are invoice financed debts amounting to £2,899,747 (2021: £1,772,870).

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Other loans (see note 14)	399,996	399,996
Hire purchase contracts and finance leases (see note 15)	5,847	25,369
Trade creditors	2,613,335	2,041,009
Social security and other taxes	174,812	144,792
VAT	572,509	767,387
Other creditors	3,155,403	2,332,958
Directors' current accounts	-	88,280
Accruals and deferred income	433,566	822,929
	<u>7,355,468</u>	<u>6,622,720</u>

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

	2022	2021
	£	£
Other loans (see note 14)	2,185,012	1,566,671
Hire purchase contracts and finance leases (see note 15)	15,531	15,692
Directors' loan accounts	600,787	-
	<u>2,801,330</u>	<u>1,582,363</u>

IT FLEET AUTOMOTIVE LIMITED (REGISTERED NUMBER: 04223523)**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2022****14. LOANS**

An analysis of the maturity of loans is given below:

	2022	2021
	£	£
Amounts falling due within one year or on demand:		
Other loans	<u>399,996</u>	<u>399,996</u>
Amounts falling due between two and five years:		
Other loans	<u>2,185,012</u>	<u>1,566,671</u>

15. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts		Finance leases	
	2022	2021	2022	2021
	£	£	£	£
Net obligations repayable:				
Within one year	4,646	10,959	1,201	14,410
Between one and five years	<u>15,531</u>	<u>14,917</u>	<u>-</u>	<u>775</u>
	<u>20,177</u>	<u>25,876</u>	<u>1,201</u>	<u>15,185</u>
			Non-cancellable operating leases	
			2022	2021
			£	£
Within one year			193,532	81,653
Between one and five years			<u>-</u>	<u>356,050</u>
			<u>193,532</u>	<u>437,703</u>

IT FLEET AUTOMOTIVE LIMITED (REGISTERED NUMBER: 04223523)

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 30 NOVEMBER 2022

16. SECURED DEBTS

The following secured debts are included within creditors:

	2022	2021
	£	£
Hire purchase contracts and finance leases	21,378	41,061
Other creditors	<u>2,719,127</u>	<u>1,831,154</u>
	<u>2,740,505</u>	<u>1,872,215</u>

Within other creditors there is a balance of £2,719,127 (2021: £1,831,154) owed to Arbuthnot Commercial Asset Based Lending Limited which is secured by way of a fixed and floating charge over the assets of the company. Not all trade debtors are subject to invoice financing, an advance is provided by Arbuthnot Commercial Asset Based Lending Limited on those debts that are financed.

Hire purchase contracts are secured on the assets to which they relate.

Included within bank loans is a CBIL Loan with the balance outstanding of £1,577,610 (2021: £1,966,667) and RLS Loan with a balance outstanding of £1,007,397 (2021: £Nil).

17. DEFERRED TAX

	£
Balance at 1 December 2021	(208,935)
Movement for year	<u>(186,249)</u>
Balance at 30 November 2022	<u>(395,184)</u>

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2022	2021
Number:	Class:	Nominal value:	£	£
178,100	Ordinary	£1	<u>178,100</u>	<u>178,100</u>

19. RESERVES

	Retained earnings £
At 1 December 2021	(2,868,486)
Deficit for the year	<u>(863,634)</u>
At 30 November 2022	<u>(3,732,120)</u>

IT FLEET AUTOMOTIVE LIMITED (REGISTERED NUMBER: 04223523)

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 30 NOVEMBER 2022

20. PENSION COMMITMENTS

The company operates a defined contribution pension scheme for the benefit of employees. The assets of the scheme are administered by trustees in a fund independent from those of the company.

The total employer contributions paid in the period amounted to £199,950 (2021: £194,384).

Amounts owed to the scheme at 30 November 2022 amounted to £32,500 (2021: £25,747).

21. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

Included within creditors beyond one year is £600,787 (2021: £88,280 within one year) owed to the directors as at 30 November 2022.

22. RELATED PARTY DISCLOSURES

During the year the company was charged rent in the normal course of business from IT Fleet Solutions Limited totalling £126,500 (2021: £193,000). At 30 November 2022 the company was owed £41,260 (2021: £32,152) from IT Fleet Solutions Limited.

Amounts owed by IT Fleet Logistics Limited at the year end amounted to £59,734 (2021: £39,958).

During the year the company invoiced goods and services in the normal course of business to The Fleet Auction Group Limited amounting to £1,452,424 (2021: £1,316,866). The company also purchased goods and services in the normal course of business from The Fleet Auction Group Limited of £1,655,049 (2021: £563,297). The balance owed by The Fleet Auction Group Limited to the company at 30 November 2022 amounted to £543,169 (2021: £252,722).

During the year the company recharged goods and services in the normal course of business amounting to £nil (2021: £nil) to IT Fleet Automotive Scotland Limited. At 30 November 2022 the balance owed by IT Fleet Automotive Scotland Limited to the company amounted to £544 (2021: £13,509).

Mr AWJ Timmis, director, is also a director and shareholder of the above related parties.

Mr AWJ Timmis and Mrs K Timmis have provided a personal guarantee of £500,000 to Arbuthnot Asset Based Lending Limited in respect of the company's invoice financing agreement.

The company has provided a cross client guarantee to Arbuthnot Asset Based Lending Limited in respect of IT Fleet Automotive Scotland Limited, IT Fleet Logistics Limited, Fleet Automotive Holdings Limited and IT Fleet Solutions Limited.

23. ULTIMATE CONTROLLING PARTY

Mr and Mrs AWJ Timmis are considered to be the controlling party of the company by virtue of their directorship and shareholding.

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.