

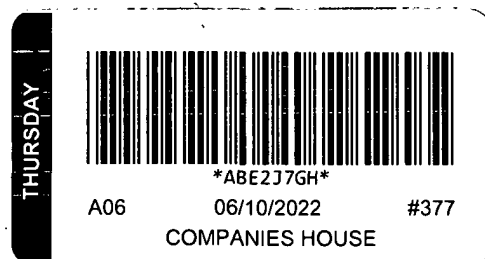
Registration number: 06817611

# 2 AM Management Company Limited

Annual Report and Consolidated Financial Statements

for the Year Ended 31 March 2022

BHP LLP  
2 Rutland Park  
Sheffield  
S10 2PD



## **2 AM Management Company Limited**

### **Contents**

Company Information	1
Strategic Report	2
Directors' Report	3
Statement of Directors' Responsibilities	4
Independent Auditor's Report	5 to 7
Consolidated Profit and Loss Account	8
Consolidated Statement of Comprehensive Income	9
Consolidated Balance Sheet	10
Balance Sheet	11
Consolidated Statement of Changes in Equity	12
Statement of Changes in Equity	13
Consolidated Statement of Cash Flows	14
Notes to the Financial Statements	15 to 31
Detailed Consolidated Profit and Loss Account	32 to 35

## **2 AM Management Company Limited**

### **Company Information**

<b>Directors</b>	Mr Christopher Allender Mr Christopher McGinley
<b>Company secretary</b>	Mr Christopher Allender
<b>Registered office</b>	Stanton Fields End Business Park Thurnscoe Rotherham S63 0JF
<b>Auditors</b>	BHP LLP 2 Rutland Park Sheffield S10 2PD

## 2 AM Management Company Limited

### Strategic Report for the Year Ended 31 March 2022

The directors present their strategic report for the year ended 31 March 2022.

#### Fair review of the business

Despite the challenging times and devastating effects of Covid-19, The Directors are pleased with the overall results of the group, respectable increases are seen across the board and each business within the group.

The overall sales received an increase of 28% on the previous year, gross profit was up on the previous year by 32%, and the resultant profit before tax had an increase of 31% on the previous year.

The Directors are suitably pleased with the results and the direction the group has been following which has beaten internal budgets and exceeded expectations.

#### Principal risks and uncertainties


There are a number of risks and uncertainties that affect the operational activities of the group, Covid-19 remains a threat to business and society, new legislation around Brexit and IR35 tax reform implementation has had a huge impact on the number of available HGV drivers and workforce availability in general and continues to be a challenge in our sector. Our senior management team regularly review the risks in order to identify the appropriate action to be taken.


#### Key Performance Indicators

We rely on the below Key performance indicators along with a number of internal KPI's including cash flow management, sales growth, weekly P&L, monthly internal management accounts and more.

	2022	2021	Difference	
	£	£	£	%
Sales	23,146,449	18,033,312	5,113,137	28
Gross Profit	4,076,969	3,096,687	980,282	32
Operating Profit	1,534,486	1,161,402	373,084	32
Profit Before Tax	1,441,381	1,102,505	338,876	31

Approved and authorised by the Board on ..... Sep 26, 2022 and signed on its behalf by:

  
Chris Allender (Sep 26, 2022 10:45 GMT+1)  
Mr Christopher Allender  
Company secretary and director

  
Chris McGinley (Sep 27, 2022 19:47 GMT+1)  
Mr Christopher McGinley  
Director

## **2 AM Management Company Limited**

### **Directors' Report for the Year Ended 31 March 2022**

The directors present their report and the consolidated financial statements for the year ended 31 March 2022.

#### **Directors of the group**

The directors who held office during the year were as follows:

Mr Christopher Allender - Company secretary and director

Mr Christopher McGinley


#### **Disclosure of information to the auditor**

Each director has taken 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 auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.


#### **Auditor**

The auditor, BHP LLP, is deemed to be reappointed under section 487 (2) of the Companies Act 2006.

Approved and authorised by the Board on ..... Sep 26, 2022 and signed on its behalf by:

  
Chris Allender (Sep 26, 2022 10:45 GMT+1)

Mr Christopher Allender  
Company secretary and director

  
Mr Christopher McGinley (Sep 27, 2022 19:47 GMT+1)

Mr Christopher McGinley  
Director

## **2 AM Management Company Limited**

### **Statement of Directors' Responsibilities**

The directors acknowledge their responsibilities for preparing the Annual Report 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 group and the company and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 keeping adequate accounting records that are sufficient to show and explain the group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **2 AM Management Company Limited**

### **Independent Auditor's Report to the Members of 2 AM Management Company Limited**

#### **Opinion**

We have audited the financial statements of 2 AM Management Company Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2022, which comprise the Consolidated Profit and Loss Account, Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Changes in Equity, Statement of Changes in Equity, Consolidated Statement of Cash Flows, and 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 group's and the parent company's affairs as at 31 March 2022 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 group's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

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

## **2 AM Management Company Limited**

### **Independent Auditor's Report to the Members of 2 AM Management Company Limited**

#### **Other information**

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

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

We have nothing to report in this regard.

#### **Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of our 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 and the Directors' Report.

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

#### **Responsibilities of directors**

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

In preparing the financial statements, the directors are responsible for assessing the 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.



## **2 AM Management Company Limited**

### **Independent Auditor's Report to the Members of 2 AM Management Company Limited**

#### **Auditor's responsibilities for the audit of the financial statements**

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

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

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates, and considered the risk such regulations, including fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error.

We focused on laws and regulations relevant to the company, including health and safety legislation and working time directives, which could give rise to a material misstatement in the financial statements. Our testing included discussions with management, directors and reviewing legal expenses. There are inherent limitations in the audit procedures described 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.

As part of our audit, we addressed the risk of management override of internal controls, including testing of journal and review of the nominal ledger. We evaluated whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

A further description of our responsibilities is available 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 auditor's report.

#### **Use of our report**

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

.....  
Lisa Leighton (Senior Statutory Auditor)  
For and on behalf of BHP LLP, Statutory Auditor

2 Rutland Park  
Sheffield  
S10 2PD

Date: **29 September 2022**

## 2 AM Management Company Limited

### Consolidated Profit and Loss Account for the Year Ended 31 March 2022

	Note	2022 £	2021 £
Turnover	3	23,146,449	18,033,312
Cost of sales		<u>(19,069,480)</u>	<u>(14,936,625)</u>
Gross profit		4,076,969	3,096,687
Administrative expenses		(2,557,878)	(2,168,562)
Other operating income	4	<u>15,395</u>	<u>233,277</u>
Operating profit	6	<u>1,534,486</u>	<u>1,161,402</u>
Other interest receivable and similar income	7	2,310	96
Interest payable and similar expenses	8	<u>(95,415)</u>	<u>(58,993)</u>
		<u>(93,105)</u>	<u>(58,897)</u>
Profit before tax		1,441,381	1,102,505
Tax on profit	12	<u>(354,263)</u>	<u>(215,344)</u>
Profit for the financial year		<u>1,087,118</u>	<u>887,161</u>
<b>Profit/(loss) attributable to:</b>			
Owners of the company		<u>1,087,118</u>	<u>887,161</u>

The notes on pages 15 to 31 form an integral part of these financial statements.

## **2 AM Management Company Limited**

### **Consolidated Statement of Comprehensive Income for the Year Ended 31 March 2022**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Profit for the year	1,087,118	887,161
Surplus on property, plant and equipment revaluation	<u>777,184</u>	<u>-</u>
Total comprehensive income for the year	<u>1,864,302</u>	<u>887,161</u>
<b>Total comprehensive income attributable to:</b>		
Owners of the company	<u>1,864,302</u>	<u>887,161</u>


## 2 AM Management Company Limited


(Registration number: 06817611)

### Consolidated Balance Sheet as at 31 March 2022

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	13	4,668,866	3,208,321
Other financial assets	15	<u>25,000</u>	<u>25,000</u>
		<u>4,693,866</u>	<u>3,233,321</u>
<b>Current assets</b>			
Debtors	16	4,454,320	3,663,522
Cash at bank and in hand		<u>2,287,702</u>	<u>1,201,261</u>
		6,742,022	4,864,783
<b>Creditors: Amounts falling due within one year</b>	18	<u>(5,695,859)</u>	<u>(4,255,119)</u>
<b>Net current assets</b>		<u>1,046,163</u>	<u>609,664</u>
<b>Total assets less current liabilities</b>		5,740,029	3,842,985
<b>Creditors: Amounts falling due after more than one year</b>	18	(1,364,195)	(1,097,508)
<b>Provisions for liabilities</b>	19	<u>(515,898)</u>	<u>(270,538)</u>
<b>Net assets</b>		<u>3,859,936</u>	<u>2,474,939</u>
<b>Capital and reserves</b>			
Called up share capital	21	2	2
Revaluation reserve		777,184	-
Other reserves		(145,300)	(145,300)
Retained earnings		<u>3,228,050</u>	<u>2,620,237</u>
Equity attributable to owners of the company		<u>3,859,936</u>	<u>2,474,939</u>
Shareholders' funds		<u>3,859,936</u>	<u>2,474,939</u>

Approved and authorised by the Board on Sep 26, 2022 ..... and signed on its behalf by:

  
 Chris Allender (Sep 26, 2022 10:45 GMT+1)  
 Mr Christopher Allender  
 Company secretary and director

  
 Chris McGinley (Sep 27, 2022 19:47 GMT+1)  
 Mr Christopher McGinley  
 Director

The notes on pages 15 to 31 form an integral part of these financial statements.


## 2 AM Management Company Limited


(Registration number: 06817611)  
Balance Sheet as at 31 March 2022

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	13	2,443,444	1,428,489
Investments	14	<u>145,610</u>	<u>145,610</u>
		<u>2,589,054</u>	<u>1,574,099</u>
<b>Current assets</b>			
Debtors	16	63,980	21,993
Cash at bank and in hand		<u>1,057,128</u>	<u>728,612</u>
		1,121,108	750,605
<b>Creditors: Amounts falling due within one year</b>	18	<u>(104,387)</u>	<u>(140,045)</u>
<b>Net current assets</b>		<u>1,016,721</u>	<u>610,560</u>
<b>Total assets less current liabilities</b>		3,605,775	2,184,659
<b>Provisions for liabilities</b>	19	<u>(73,654)</u>	<u>(36,308)</u>
<b>Net assets</b>		<u>3,532,121</u>	<u>2,148,351</u>
<b>Capital and reserves</b>			
Called up share capital	21	2	2
Revaluation reserve		777,184	-
Retained earnings		<u>2,754,935</u>	<u>2,148,349</u>
Shareholders' funds		<u>3,532,121</u>	<u>2,148,351</u>

The company made a profit after tax for the financial year of £956,306 (2021 - profit of £815,201).

Approved and authorised by the Board on <sup>Sep 26, 2022</sup> ..... and signed on its behalf by:

  
Chris Allender (Sep 26, 2022 10:45 GMT+1)  
Mr Christopher Allender  
Company secretary and director

  
Christopher McGinley (Sep 27, 2022 19:47 GMT+1)  
Mr Christopher McGinley  
Director

The notes on pages 15 to 31 form an integral part of these financial statements.

## 2 AM Management Company Limited

### Consolidated Statement of Changes in Equity for the Year Ended 31 March 2022

	Share capital	Revaluation reserve	Other reserves	Retained earnings
	£	£	£	£
At 1 April 2021	2	-	(145,300)	2,620,237
Profit for the year	-	-	-	1,087,118
Other comprehensive income	-	777,184	-	-
Total comprehensive income	-	777,184	-	1,087,118
Dividends	-	-	-	(479,305)
At 31 March 2022	2	777,184	(145,300)	3,228,050
			<b>Total</b>	<b>Total equity</b>
			£	£
At 1 April 2021			2,474,939	2,474,939
Profit for the year			1,087,118	1,087,118
Other comprehensive income			777,184	777,184
Total comprehensive income			1,864,302	1,864,302
Dividends			(479,305)	(479,305)
At 31 March 2022			3,859,936	3,859,936
	<b>Share capital</b>	<b>Other reserves</b>	<b>Retained earnings</b>	<b>Total</b>
	£	£	£	£
At 1 April 2020	2	(145,300)	2,162,512	2,017,214
Profit for the year	-	-	887,161	887,161
Dividends	-	-	(429,436)	(429,436)
At 31 March 2021	2	(145,300)	2,620,237	2,474,939
				<b>Total equity</b>
				£
At 1 April 2020				2,017,214
Profit for the year				887,161
Dividends				(429,436)
At 31 March 2021				2,474,939

The notes on pages 15 to 31 form an integral part of these financial statements.

## 2 AM Management Company Limited

### Statement of Changes in Equity for the Year Ended 31 March 2022 Equity attributable to the parent company

	Share capital £	Revaluation reserve £	Retained earnings £	Total £
At 1 April 2021	2	-	2,148,349	2,148,351
Profit for the year	-	-	956,306	956,306
Other comprehensive income	-	777,184	-	777,184
Total comprehensive income	-	777,184	956,306	1,733,490
Dividends	-	-	(349,720)	(349,720)
At 31 March 2022	2	777,184	2,754,935	3,532,121

	Share capital £	Retained earnings £	Total £
At 1 April 2020	2	1,683,147	1,683,149
Profit for the year	-	815,201	815,201
Dividends	-	(349,999)	(349,999)
At 31 March 2021	2	2,148,349	2,148,351

The notes on pages 15 to 31 form an integral part of these financial statements.

## 2 AM Management Company Limited

### Consolidated Statement of Cash Flows for the Year Ended 31 March 2022

	Note	2022 £	2021 £
<b>Cash flows from operating activities</b>			
Profit for the year		1,087,118	887,161
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	6	728,192	361,870
Profit on disposal of tangible assets	5	(72,558)	(2,528)
Finance income	7	(2,310)	(96)
Finance costs	8	95,415	58,993
Income tax expense	12	354,263	215,344
		2,190,120	1,520,744
Working capital adjustments			
Increase in Debtors	16	(791,363)	(657,755)
Increase in Creditors	18	942,541	644,732
Cash generated from operations		2,341,298	1,507,721
Income taxes paid	12	(62,758)	(98,845)
Net cash flow from operating activities		2,278,540	1,408,876
<b>Cash flows from investing activities</b>			
Interest received		113	96
Acquisitions of tangible assets		(1,415,994)	(1,871,891)
Proceeds from sale of tangible assets		77,000	34,999
Dividend income		2,197	-
Investment in shares		-	(25,000)
Net cash flows from investing activities		(1,336,684)	(1,861,796)
<b>Cash flows from financing activities</b>			
Interest paid	8	(95,415)	(58,993)
Proceeds from bank borrowing draw downs		(100,000)	100,000
Repayment of other borrowing		269,187	(118,465)
Net proceeds from finance leases		550,118	766,268
Dividends paid		(479,305)	(429,436)
Net cash flows from financing activities		144,585	259,374
Net increase/(decrease) in cash and cash equivalents		1,086,441	(193,546)
Cash and cash equivalents at 1 April		1,201,261	1,394,807
Cash and cash equivalents at 31 March		2,287,702	1,201,261

The notes on pages 15 to 31 form an integral part of these financial statements.



## **2 AM Management Company Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2022**

#### **1 General information**

The company is a private company limited by share capital, incorporated in England.

The address of its registered office is:

Stanton Fields End Business Park

Thurnscoe

Rotherham

S63 0JF

These financial statements were authorised for issue by the Board on <sup>Sep 26, 2022</sup> .....

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Statement of compliance**

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland and the Companies Act 2006'.

##### **Basis of preparation**

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

##### **Basis of consolidation**

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 March 2022.

## **2 AM Management Company Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2022**

A subsidiary is an entity controlled by the company. Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the Profit and Loss Account from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the company and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination.

#### **Going concern**

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **Government Grants**

Grants received in relation to the government's Coronavirus Job Retention Scheme have been recognised within other operating income. The grant is accounted for on the accruals basis once the related payroll return has been submitted.

## **2 AM Management Company Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2022**

#### **Key sources of estimation uncertainty**

The preparation of financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Judgements and estimates 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. The resulting accounting estimates may differ from the related actual results.

There are no key judgements, estimates or assumptions that have been made by the directors in the preparation of these financial statements.

#### **Revenue recognition**

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the group's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the group.

#### **Tax**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the group operates and generates taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the consolidated financial statements.

Unrelieved tax losses and other deferred tax assets are 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 the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference, except for revalued land and investment property where the tax rate that applies to the sale of the asset is used.

#### **Tangible assets**

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

## 2 AM Management Company Limited

### Notes to the Financial Statements for the Year Ended 31 March 2022

#### Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Office Equipment	33% Straight Line
Motor Vehicles	20% Straight Line
Fixtures and Fittings	33% Straight Line
Plant and equipment	2 year straight Line

#### Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

#### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables.

#### Trade creditors

Trade creditors 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 the group does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

## **2 AM Management Company Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2022**

#### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the profit and loss account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

#### **Leases**

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the profit and loss account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

#### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

#### **Dividends**

Dividend distribution to the group's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

#### **Defined contribution pension obligation**

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the group has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

## 2 AM Management Company Limited

### Notes to the Financial Statements for the Year Ended 31 March 2022

#### 3 Revenue

The analysis of the group's revenue for the year from continuing operations is as follows:

	2022	2021
	£	£
Hiring out commercial vehicles and drivers	16,111,319	12,654,712
Provision of temporary staff	6,985,797	5,343,095
Rental income	49,333	35,505
	<u>23,146,449</u>	<u>18,033,312</u>

The analysis of the group's Turnover for the year by market is as follows:

	2022	2021
	£	£
UK	23,146,449	18,029,998
Europe	-	3,314
	<u>23,146,449</u>	<u>18,033,312</u>

#### 4 Other operating income

The analysis of the group's other operating income for the year is as follows:

	2022	2021
	£	£
Government grants	15,088	233,173
Miscellaneous other operating income	307	104
	<u>15,395</u>	<u>233,277</u>

#### 5 Other gains and losses

The analysis of the group's other gains and losses for the year is as follows:

	2022	2021
	£	£
Gain on disposal of Tangible assets	<u>72,558</u>	<u>2,528</u>

#### 6 Operating profit

Arrived at after charging/(crediting)

	2022	2021
	£	£
Depreciation expense	728,192	361,870
Operating lease expense - plant and machinery	7,968	2,817
Profit on disposal of property, plant and equipment	<u>(72,558)</u>	<u>(2,528)</u>

## 2 AM Management Company Limited

### Notes to the Financial Statements for the Year Ended 31 March 2022

#### 7 Other interest receivable and similar income

	2022	2021
	£	£
Interest income on bank deposits	113	96
Dividend income	2,197	-
	<u>2,310</u>	<u>96</u>

#### 8 Interest payable and similar expenses

	2022	2021
	£	£
Interest on bank overdrafts and borrowings	62	-
Interest on obligations under finance leases and hire purchase contracts	36,670	19,343
Interest expense on other finance liabilities	639	3
Other finance costs	58,044	39,647
	<u>95,415</u>	<u>58,993</u>

#### 9 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2022	2021
	£	£
Wages and salaries	10,826,294	6,066,859
Social security costs	1,031,884	529,715
Other short-term employee benefits	4,535	503
Pension costs, defined contribution scheme	202,932	321,572
Other employee expense	46,054	18,429
	<u>12,111,699</u>	<u>6,937,078</u>

The average number of persons employed by the group (including directors) during the year, analysed by category was as follows:

	2022	2021
	No.	No.
Administration and support	34	17
Distribution	125	73
Other departments	198	155
	<u>357</u>	<u>245</u>

## 2 AM Management Company Limited

### Notes to the Financial Statements for the Year Ended 31 March 2022

#### 10 Directors' remuneration

The directors' remuneration for the year was as follows:

	2022	2021
	£	£
Remuneration	28,226	25,140
Contributions paid to money purchase schemes	80,000	240,000
	<u>108,226</u>	<u>265,140</u>

#### 11 Auditors' remuneration

	2022	2021
	£	£
Group and Parent	1,900	1,500
Subsidiaries	14,785	9,265
	<u>16,685</u>	<u>10,765</u>

#### 12 Taxation

Tax charged/(credited) in the consolidated profit and loss account

	2022	2021
	£	£
<b>Current taxation</b>		
UK corporation tax	108,903	43,135
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	245,360	163,207
Arising from previously unrecognised tax loss, tax credit or temporary difference of prior periods	-	9,002
Total deferred taxation	<u>245,360</u>	<u>172,209</u>
Tax expense in the income statement	<u>354,263</u>	<u>215,344</u>



## **2 AM Management Company Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2022**

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2021 - the same as the standard rate of corporation tax in the UK) of 19% (2021 - 19%).

The differences are reconciled below:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Profit before tax	<u>1,441,381</u>	<u>1,102,505</u>
Corporation tax at standard rate	273,862	209,476
Tax increase from effect of capital allowances and depreciation	<u>80,401</u>	<u>5,868</u>
Total tax charge	<u>354,263</u>	<u>215,344</u>

## 2 AM Management Company Limited

### Notes to the Financial Statements for the Year Ended 31 March 2022

#### 13 Tangible assets

##### Group

	Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Other tangible assets £	Total £
<b>Cost or valuation</b>					
At 1 April 2021	1,237,395	277,248	2,549,424	97,282	4,161,349
Revaluations	777,184	-	-	-	777,184
Additions	134,248	21,481	1,196,870	63,395	1,415,994
Disposals	-	(84,518)	(158,674)	(14,750)	(257,942)
At 31 March 2022	<u>2,148,827</u>	<u>214,211</u>	<u>3,587,620</u>	<u>145,927</u>	<u>6,096,585</u>
<b>Depreciation</b>					
At 1 April 2021	-	171,267	719,611	62,150	953,028
Charge for the year	-	71,067	617,934	39,190	728,191
Eliminated on disposal	-	(84,518)	(154,232)	(14,750)	(253,500)
At 31 March 2022	<u>-</u>	<u>157,816</u>	<u>1,183,313</u>	<u>86,590</u>	<u>1,427,719</u>
<b>Carrying amount</b>					
At 31 March 2022	<u>2,148,827</u>	<u>56,395</u>	<u>2,404,307</u>	<u>59,337</u>	<u>4,668,866</u>
At 31 March 2021	<u>1,237,395</u>	<u>105,981</u>	<u>1,829,813</u>	<u>35,132</u>	<u>3,208,321</u>

Included within the net book value of land and buildings above is £2,148,827 (2021 - £1,237,395) in respect of freehold land and buildings.

## **2 AM Management Company Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2022**

#### **Assets held under finance leases and hire purchase contracts**

The depreciation charged during the year was £459,760 (2021: £235,695).

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Plant & Machinery	<u>1,961,989</u>	<u>714,154</u>

## 2 AM Management Company Limited

### Notes to the Financial Statements for the Year Ended 31 March 2022

#### Company

	Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Other tangible assets £	Total £
<b>Cost or valuation</b>					
At 1 April 2021	1,237,395	73,335	156,106	18,463	1,485,299
Revaluations	777,184	-	-	-	777,184
Additions	134,248	11,341	157,139	25,346	328,074
Disposals	-	(26,222)	-	-	(26,222)
At 31 March 2022	<u>2,148,827</u>	<u>58,454</u>	<u>313,245</u>	<u>43,809</u>	<u>2,564,335</u>
<b>Depreciation</b>					
At 1 April 2021	-	41,787	10,407	4,616	56,810
Charge for the year	-	18,079	62,649	9,575	90,303
Eliminated on disposal	-	(26,222)	-	-	(26,222)
At 31 March 2022	<u>-</u>	<u>33,644</u>	<u>73,056</u>	<u>14,191</u>	<u>120,891</u>
<b>Carrying amount</b>					
At 31 March 2022	<u>2,148,827</u>	<u>24,810</u>	<u>240,189</u>	<u>29,618</u>	<u>2,443,444</u>
At 31 March 2021	<u>1,237,395</u>	<u>31,548</u>	<u>145,699</u>	<u>13,847</u>	<u>1,428,489</u>

Included within the net book value of land and buildings above is £2,148,827 (2021 - £1,237,395) in respect of freehold land and buildings.

## 2 AM Management Company Limited

### Notes to the Financial Statements for the Year Ended 31 March 2022

#### 14 Investments

##### Group

##### Details of undertakings

Details of the investments in which the group holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2022	2021
Subsidiary undertakings				
Talstaff Limited	England	Ordinary	100%	100%
Stanton Logistics Limited		Ordinary	100%	100%
Transport & Logistics Staff Limited	England	Ordinary	100%	100%

##### Subsidiary undertakings

###### *Talstaff Limited*

The principal activity of Talstaff Limited is provision of temporary staff

###### *Stanton Logistics Limited*

The principal activity of Stanton Logistics Limited is hiring out commercial vehicle and drivers

###### *Transport & Logistics Staff Limited*

The principal activity of Transport & Logistics Staff Limited is Dormant

##### Company

	2022	2021
	£	£
Investments in subsidiaries	<u>145,610</u>	<u>145,610</u>
<b>Subsidiaries</b>		<b>£</b>
<b>Cost or valuation</b>		
At 1 April 2021		<u>145,610</u>
<b>Provision</b>		
<b>Carrying amount</b>		
At 31 March 2022		<u>145,610</u>
At 31 March 2021		<u>145,610</u>

## 2 AM Management Company Limited

### Notes to the Financial Statements for the Year Ended 31 March 2022

#### 15 Other financial assets

##### Group

	Financial assets at cost less impairment £	Total £
<b>Non-current financial assets</b>		
<b>Cost or valuation</b>		
At 1 April 2021	25,000	25,000
At 31 March 2022	25,000	25,000
<b>Impairment</b>		
<b>Carrying amount</b>		
At 31 March 2022	25,000	25,000

#### 16 Debtors

		Group		Company	
	Note	2022 £	2021 £	2022 £	2021 £
<b>Current</b>					
Trade debtors		3,323,972	3,341,885	600	600
Amounts owed by related parties	25	-	-	-	11
Other debtors		199,947	31,907	231	1,666
Prepayments		539,947	270,107	44,091	93
Accrued income		371,396	-	-	-
Income tax asset	12	19,058	19,623	19,058	19,623
		<u>4,454,320</u>	<u>3,663,522</u>	<u>63,980</u>	<u>21,993</u>

##### Group

The carrying amount of trade debtors pledged as security for liabilities amounted to £3,196,650 (2021 - £2,875,719).

#### 17 Cash and cash equivalents

	Group		Company	
	2022 £	2021 £	2022 £	2021 £
Cash on hand	-	2	-	-
Cash at bank	<u>2,287,702</u>	<u>1,201,259</u>	<u>1,057,128</u>	<u>728,612</u>
	<u>2,287,702</u>	<u>1,201,261</u>	<u>1,057,128</u>	<u>728,612</u>

## 2 AM Management Company Limited

### Notes to the Financial Statements for the Year Ended 31 March 2022

#### 18 Creditors

		Group		Company	
	Note	2022 £	2021 £	2022 £	2021 £
<b>Due within one year</b>					
Loans and borrowings	22	1,113,372	660,754	-	-
Trade creditors		1,126,385	1,086,374	55,574	93,629
Amounts due to related parties	25	-	(184)	-	-
Social security and other taxes		877,669	983,959	33,946	32,759
Outstanding defined contribution pension costs		3,598	29,518	-	-
Other payables		1,782,704	1,349,995	2,917	382
Accruals		683,793	81,945	11,950	13,275
Income tax liability	12	108,338	62,758	-	-
		<u>5,695,859</u>	<u>4,255,119</u>	<u>104,387</u>	<u>140,045</u>
<b>Due after one year</b>					
Loans and borrowings	22	<u>1,364,195</u>	<u>1,097,508</u>	<u>-</u>	<u>-</u>

#### 19 Provisions for liabilities

##### Group

	Deferred tax £	Total £
At 1 April 2021	270,538	270,538
Additional provisions	<u>245,360</u>	<u>245,360</u>
At 31 March 2022	<u>515,898</u>	<u>515,898</u>

#### 20 Pension and other schemes

##### Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £202,932 (2021 - £321,572).

Contributions totalling £3,598 (2021 - £29,518) were payable to the scheme at the end of the year and are included in creditors.

## 2 AM Management Company Limited

### Notes to the Financial Statements for the Year Ended 31 March 2022

#### 21 Share capital

##### Allotted, called up and fully paid shares

	2022		2021	
	No.	£	No.	£
Ordinary A of £0.01 each	180	1.80	180	1.80
Ordinary B of £0.01 each	20	0.20	20	0.20
	<u>200</u>	<u>2.00</u>	<u>200</u>	<u>2.00</u>

#### 22 Loans and borrowings

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
<b>Non-current loans and borrowings</b>				
Bank borrowings	-	84,167	-	-
Finance lease liabilities	<u>1,364,195</u>	<u>1,013,341</u>	<u>-</u>	<u>-</u>
	<u>1,364,195</u>	<u>1,097,508</u>	<u>-</u>	<u>-</u>

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
<b>Current loans and borrowings</b>				
Bank borrowings	-	15,833	-	-
Finance lease liabilities	556,492	357,228	-	-
Other borrowings	<u>556,880</u>	<u>287,693</u>	<u>-</u>	<u>-</u>
	<u>1,113,372</u>	<u>660,754</u>	<u>-</u>	<u>-</u>

#### Group

Finance leases are secured against the assets to which they relate.

#### Other Borrowings

Advances against invoices in Stanton Logistics Limited and Talstaff Limited are secured by a first charge over trade debtors, a personal guarantee of £25,000 from each director and a cross guarantee with 2AM Management Company Ltd.



## 2 AM Management Company Limited

### Notes to the Financial Statements for the Year Ended 31 March 2022

#### 23 Dividends

##### Interim dividends paid

	2022 £	2021 £
Interim dividend of £174,860 (2021 - £175,000) per share from 2AM Management Company Ltd	349,720	350,000
Interim dividend of £61,726 (2021 - £30,279) per share from Talstaff Ltd	61,726	30,279
Interim dividend of £67,859 (2021 - £49,158) per share from Stanton Logistics Ltd	67,859	49,158
	<u>479,305</u>	<u>429,437</u>

#### 24 Commitments

##### Group

##### Capital commitments

The total amount contracted for but not provided in the financial statements was £460,422 (2021 - £54,120).

#### 25 Related party transactions

##### Group

##### Summary of transactions with other related parties

During the year the group paid £40,000 (2021: £40,000) in sponsorship to McAllen Racing Ltd, a company in which Mr C McGinley and Mr C Allender are directors. There was no balance outstanding at the year end (2021: £nil).