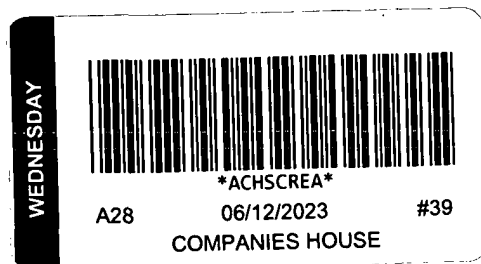


Culina Asset Management Limited

Annual Report and Financial Statements

Registered Number 11880934

31 December 2022



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Directors' Report

The directors present their report and the audited financial statements of Culina Asset Management Limited ("the Company") for the year ended 31 December 2022.

The Company is an indirect subsidiary of Unternehmensgruppe, Theo Muller S.e.c.s. (the "Parent"), an international group divided into the business segments of dairy, deli and services (the "Group").

Principal activities

The principal activity of the Company is the provision of asset contract hire.

Review of business and future developments

The Company has transitioned from dormant to active trading on 1 January 2022, with the key trading practice being the acquisition and management of the majority of the wider Culina Group's commercial vehicle fleet (Culina Group being a sub-group of the Group). All revenue is generated via short term hire contracts. This process will be ongoing in future years and then Directors anticipate the service provision to expand in future years to encompass additional asset classes.

Results and dividends

The results for the year are set out on page 7.

No ordinary dividends were paid in the current year or previous year. The directors do not recommend payment of a final dividend.

Going concern

The Company's directors have considered the future trading forecasts of the Culina Group of which this Company is a member, which have been incorporated within the consolidated forecasts of the UTM Group (which also model the expected cash flows) and confirmed relevant factors with the directors of the UTM Group. In summary:

- The trading forecasts of the Culina Group, which include those of this Company, are included within the forecasts of the UTM Group as a whole;
- The directors of the Company and of the overall Culina Group have considered a range of plausible sensitivities, which they believe adequately address any reasonably foreseeable events and circumstances that may be relevant to Culina Group and the Company;
- Sensitivities considered include the impact of material reductions in trading volumes allied to increased costs, the failure to achieve cost and efficiency savings,, the impact upon liquidity of reductions in available facilities under Culina Group's invoice discounting facilities and a deterioration in working capital metrics; and
- UTM Group have received and reviewed the sensitivities and confirmed that, taking into account all relevant facts and circumstances impacting the overall UTM Group, any impact can be accommodated within the exiting committed and undrawn UTM Group facilities.

Having regard to the way the UTM Group is financed and how its facilities are used to pass funding down to subsidiaries, the Culina Group, including this Company, is necessarily reliant on the continued support of the UTM Group. Culina Group, encompassing each of its subsidiaries, has received a letter of support from the UTM Group covering a period of at least 12 months from the date of these financial statements which includes:

- Not seeking repayment of amounts advanced to any members of Culina Group unless adequate alternative financing has been secured;
- Advancing further amounts to any Company in the Culina Group as required; and
- Allowing any of the companies in the Culina Group to access the cash pooling facilities.

This reliance is supported by the 2022 Annual Report of the UTM Group, approved in May 2023, with no risks identified that would prejudice the UTM Group's ability to continue as a going concern and that the UTM Group had sufficient liquid assets and available additional financing through committed credit lines to meet its liabilities as they fall due in all reasonably foreseeable events and circumstances. The directors are satisfied that this position remains largely unchanged through to the date of approval of these financial statements and there remains sufficient liquidity throughout the going concern period.

On this basis, the directors of the Company believe it is appropriate to continue to adopt the going concern basis of accounting in preparing these financial statements.

Directors' Report *(continued)*

Directors

The directors who held office during the year and up to the date of signature of the financial statements, except as noted, were as follows:

C L Price (resigned 31 August 2022)

D K Meir

D C Pugh (appointed 1 September 2022)

T van Mourik

W Stobart

Directors' indemnities

The Company has qualifying third party indemnity provisions for the benefit of some of its directors which remained in force at year end.

Statement of Directors' Responsibilities in respect of the financial statements

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

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

Under Company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the directors are required to:

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

The directors are 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.

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.

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

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

Directors' Report *(continued)*

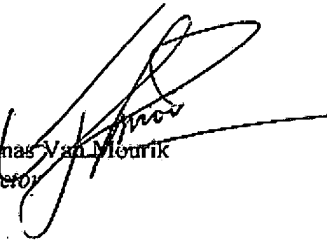
Independent auditors

The independent auditors, BDO LLP, have indicated their willingness to continue in office and a resolution that they be appointed will be proposed at the Annual General Meeting.

Small companies exemption

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by and on behalf of the board



Thomas Van Mourik
Director

13 October 2023

Independent auditor's report to the members of Culina Asset Management Limited

Opinion on the financial statements

In our opinion the financial statements:

- Give a true and fair view of the state of the Company's affairs as at 31 December 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.

We have audited the financial statements of Culina Asset Management Limited ("the Company") for the year ended 31 December 2022 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the 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, Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements 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. 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 course of 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.

Other Companies Act 2006 reporting

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

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

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 Directors' Report.

Independent auditor's report to the members of Culina Asset Management Limited *(continued)*

Other Companies Act 2006 reporting (continued)

We have nothing to report in respect of the following matters in relation to which 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; or
- The Directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to present a Strategic Report.

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities in respect of the Financial Statements, the directors are responsible for the preparation of the financial statements 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.

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.

Extent to which the audit was capable of detecting irregularities, including fraud

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

- Enquired of management and the Board, including obtaining and reviewing supporting documentation, concerning the Company's policies and procedures relating to:
 - Identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they had knowledge of any actual, suspected or alleged fraud; and
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We obtained an understanding of the legal and regulatory frameworks applicable to the Company based on our understanding of the Company, sector experience and discussions with management and the Board. We considered the most significant laws and regulations for the Company to be the applicable accounting framework, the Companies Act 2006, Corporation Taxes Act 2010, VAT legislation, Employment legislation, Road Haulage regulations, Health & Safety and the Bribery Act 2010.
- Discussing among the engagement team, to assess how and where fraud might occur in the financial statements and any potential indicators of fraud and non-compliance with laws and regulation. As part of this discussion, we identified potential for fraud in relation to management override of controls.

Independent auditor's report to the members of Culina Asset Management Limited (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

We executed procedures in line with our responsibilities to detect material misstatements in respect of irregularities, including fraud. These procedures, together with the extent to which they are capable of detecting irregularities, including fraud, are detailed below:


- We made enquiries of management and the Board and reviewed correspondence with the relevant authorities to identify any irregularities or instances of non-compliance with laws and regulations. We corroborated our enquiries through our review of board minutes;
- We tested the appropriateness of accounting journals, using a risk based approach, and also tested other adjustments made in the preparation of the financial statements. We used data assurance techniques to identify and analyse the complete population of all journals in the period to identify and test any which we considered were indicative of management override; and
- We reviewed the Company's accounting policies for non-compliance with relevant standards. Our work also included considering significant accounting estimates for evidence of misstatement or possible bias and testing any significant transactions that appeared to be outside the normal course of business.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, 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, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed 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 are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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.

DocuSigned by:

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Andrew Mair (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor

Birmingham, UK

13 October 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Statement of Comprehensive Income

for the year ended 31 December 2022

	<i>Notes</i>	2022 £000	2021 £000
Revenue	4	76,837	-
Cost of sales		(74,985)	-
Gross profit		1,852	-
Other operating income	4	5,548	-
Administrative expenses		(4,626)	-
Operating profit	5	2,774	-
Interest payable and similar charges	Error	(2,752)	-
Profit before taxation		22	-
Tax on profit	9	(1,134)	-
Loss for the financial year and total comprehensive expense for the year		(1,112)	-

The notes on pages 10 to 20 form part of the financial statements.

All results are derived from continuing operations.

Statement of Financial Position

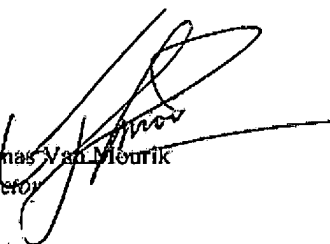
as at 31 December 2022

	Notes	2022 £000	2022 £000	2021 £000	2021 £000
Fixed assets					
Intangible assets	10		218		-
Tangible assets	11		169,766		-
			<u>169,984</u>		<u>-</u>
Current assets					
Debtors	12	47,653		-	
		<u>47,653</u>		<u>-</u>	
Total assets			<u>217,637</u>		<u>-</u>
Creditors: amounts falling due within one year	13		(146,484)		-
Net current liabilities			<u>(98,831)</u>		<u>-</u>
Total assets less current liabilities			<u>71,153</u>		<u>-</u>
Creditors: amounts falling due after one year	14		(67,564)		-
Provisions	0		(4,701)		-
Net liabilities			<u>(1,112)</u>		<u>-</u>
Capital and reserves					
Called up share capital	17		-		-
Profit and loss account			(1,112)		-
Total capital and reserves			<u>(1,112)</u>		<u>-</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The notes on pages 10 to 20 form part of the financial statements.

The financial statements were approved by the board of directors and authorised for issue on 13 October 2023 and are signed on its behalf by:


Thomas Van Mourik
Director

Company Registered Number: 11880934

Statement of Changes in Equity

for the year ended 31 December 2022

	Called up share capital £000	Profit and loss account £000	Total shareholders' deficit £000
Balance at 1 January 2021	-	-	-
Profit for the financial year and total comprehensive income	-	-	-
Balance at 31 December 2021	-	-	-
Loss for the financial year and total comprehensive expense	-	(1,112)	(1,112)
Balance at 31 December 2022	-	(1,112)	(1,112)

The notes on pages 10 to 20 form part of the financial statements.

Notes to the financial statements

1 Compliance with Accounting Standards

For the financial year ended 31 December 2022 the Company has elected to prepare its financial statements in accordance with Financial Reporting Standard 102 (FRS 102) whereas for the financial year ended 31 December 2021 the financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101). This transition was not considered to have had a material effect on either the Company's accounting policies or the recognition, measurement or presentation of assets and liabilities in the statement of financial position either at the transition date (1 January 2021) or the comparative financial year end of 31 December 2021.

Exemptions for qualifying entities under FRS 102

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, for both periods presented, advantage has been taken of the following exemptions available under paragraph 1.12 of that standard in relation to financial instruments, capital management, presentation of a cash flow statement, key management personnel compensation, standards not yet effective and related party transactions with other wholly-owned members of the Group. Where required, equivalent disclosures are given in the Group financial statements of Unternehmensgruppe Theo Muller S.e.c.s, a partnership registered in Luxembourg. The partnership prepares Group financial statements which are publicly available and can be obtained as set out in note 0.

2 Accounting policies

General information

The Company provides commercial vehicle and other asset hire solutions.

The Company is a private limited company limited by shares and is incorporated and domiciled in the UK and registered in England. The address of its registered office is Culina House, Stretton Green Distribution Park, Langford Way, Appleton, Warrington, England.

Basis of preparation

The Company is a company incorporated in the United Kingdom under the Companies Act 2006. These financial statements have been prepared in accordance with Financial Reporting Standard 102 (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland under the historical cost convention and in accordance with the Companies Act 2006.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results ultimately may differ from those estimates.

The Company is a wholly-owned subsidiary of Culina Group Limited and is included in the consolidated financial statements of Unternehmensgruppe Theo Muller S.e.c.s which are publicly available and can be obtained from Unternehmensgruppe Theo Muller S.e.c.s, rue Albert Borschette 2 B, Luxembourg, 1246, LU.

Notes to the financial statements (*continued*)

2 Accounting policies (*continued*)

Going concern

The Company's directors have considered the future trading forecasts of the Culina Group of which this Company is a member, which have been incorporated within the consolidated forecasts of the UTM Group (which also model the expected cash flows) and confirmed relevant factors with the directors of the UTM Group. In summary:

- The trading forecasts of the Culina Group, which include those of this Company, are included within the forecasts of the UTM Group as a whole;
- The directors of the Company and of the overall Culina Group have considered a range of plausible sensitivities, which they believe adequately address any reasonably foreseeable events and circumstances that may be relevant to Culina Group and the Company;
- Sensitivities considered include the impact of material reductions in trading volumes allied to increased costs, the failure to achieve cost and efficiency savings, the impact upon liquidity of reductions in available facilities under Culina Group's invoice discounting facilities and a deterioration in working capital metrics; and
- UTM Group have received and reviewed the sensitivities and confirmed that, taking into account all relevant facts and circumstances impacting the overall UTM Group, any impact can be accommodated within the exiting committed and undrawn UTM Group facilities.

Having regard to the way the UTM Group is financed and how its facilities are used to pass funding down to subsidiaries, the Culina Group, including this Company, is necessarily reliant on the continued support of the UTM Group. Culina Group, encompassing each of its subsidiaries, has received a letter of support from the UTM Group covering a period of at least 12 months from the date of these financial statements which includes:

- Not seeking repayment of amounts advanced to any members of Culina Group unless adequate alternative financing has been secured;
- Advancing further amounts to any Company in the Culina Group as required; and
- Allowing any of the companies in the Culina Group to access the cash pooling facilities.

This reliance is supported by the 2022 Annual Report of the UTM Group, approved in May 2023, with no risks identified that would prejudice the UTM Group's ability to continue as a going concern and that the UTM Group had sufficient liquid assets and available additional financing through committed credit lines to meet its liabilities as they fall due in all reasonably foreseeable events and circumstances. The directors are satisfied that this position remains largely unchanged through to the date of approval of these financial statements and there remains sufficient liquidity throughout the going concern period.

On this basis, the directors of the Company believe it is appropriate to continue to adopt the going concern basis of accounting in preparing these financial statements.

Revenue recognition policy

Revenue generated from short term hire contracts is measured at the fair value of the consideration received or receivable and represents the amount receivable for services rendered, net of value added taxes. Revenue is recognised in the accounting period in which the contract hire services are provided.

Other operating income

Other operating income is recognised in the accounting period in which the services are provided.

Intangible assets

Intangible assets are stated at cost less accumulated amortisation and impairment losses. Amortisation is charged to the income statement on a straight-line basis over the following asset lives in years:

Computer software

Shorter of licence and 5 years

The assets' residual values and useful lives are reviewed and adjusted as appropriate at each statement of financial position date. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of the asset may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the carrying amount exceeds the asset's fair value. Any impairment charge is recorded in administrative expenses in the income statement.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in other operating income in the income statement.

Notes to the financial statements (*continued*)

2 Accounting policies (*continued*)

Tangible assets

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for their intended use including any directly attributable capitalised borrowing costs and an estimate of any future costs of dismantling and removing the items and restoring the site on which they are located.

Items of tangible fixed assets are depreciated from the date they are available for use or, in respect of self-constructed assets, from the date that the asset is completed and ready for use. Depreciation is calculated to write off the cost of items of tangible fixed assets less their estimated residual values using the straight-line basis over their estimated useful lives.

Fixtures and fittings	3-7 years straight line
Plant and Machinery	3-7 years straight line
Commercial Vehicles	3-12 years straight line
Cars and Vans	1-5 years straight line
IT Equipment	1-3 years straight line
Assets Under Construction	Not depreciated until available for use

The assets' residual values and useful lives are reviewed and adjusted as appropriate at each statement of financial position date. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of the asset may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the carrying amount exceeds the higher of the asset's fair value less cost to sell and value in use. Any impairment charge is recorded in administrative expenses in the income statement.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in other operating income in the income statement.

Financial assets

Financial assets are recognised only when the entity becomes a party to the contractual provisions of the instrument. Initial measurement is at the transaction price (adjusted for transaction costs). Subsequent measurement is at amortised cost less impairment losses.

Trade and other debtors

Trade and other receivables do not carry interest and are stated at amortised cost less impairment losses.

Trade and other creditors

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Impairment of tangible and intangible assets

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. Any impairment charge is recorded in administrative expenses in the income statement. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Leases

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to profit or loss over the shorter of estimated useful economic life and the term of the lease.

Finance lease payments are analysed between capital and interest components so that the interest element of the payment is charged to profit or loss over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to profit or loss on a straight-line basis over the term of the lease.

Notes to the financial statements (*continued*)

2 Accounting policies (*continued*)

Financial instruments

Classifications

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Financial assets are classified as financial assets at fair value through profit or loss, loans and debtors, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial assets at initial recognition.

Financial liabilities are classified as financial liabilities at fair value through profit or loss, loans and borrowings, trade and other creditors, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of financial liabilities at recognition.

Recognition and measurement

All financial instruments are recognised initially at fair value plus transaction costs.

Financial instruments are subsequently measured at amortised cost using the effective interest rate method (less impairment where appropriate), unless the effect of discounting would be immaterial in which they are stated at cost (less impairment where appropriate), except where it is a requirement to continue measurement at fair value through profit or loss.

Impairment

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more future events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Called up share capital and reserves

Called-up share capital represents the nominal value of ordinary shares that have been issued.

The profit and loss account includes all current and prior period retained profits and losses.

Functional and presentational currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Sterling (£), which is also the Company's functional currency.

Taxation

Tax on the profit or loss 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 directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset when the Company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

Notes to the financial statements (*continued*)

2 Accounting policies (*continued*)

Employee benefits

Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.

3 Critical accounting estimates and judgements

There are no critical accounting estimates or judgements.

4 Revenue and other operating income

The total revenue of the Company for the year has been derived from its principal activity of providing contract hire services for its customers.

All revenue arose within the United Kingdom.

	2022	2021
Other operating income		
Profit on disposal of tangible fixed assets	3,314	-
Other income	2,234	-
	<hr/>	<hr/>
	5,548	-
	<hr/>	<hr/>

5 Operating profit

	2022	2021
	£000	£000
Operating profit for the year is stated after charging:		
Amortisation of intangible fixed assets (note 10)	9	-
Auditors' remuneration: audit of these financial statements	50	-
Depreciation of tangible fixed assets (note 11)	15,624	-
Operating lease rentals	32,045	-
	<hr/>	<hr/>

6 Staff costs

	2022	2021
Wages and salaries	2,950	-
Social security costs	321	-
Other pension costs	140	-
	<hr/>	<hr/>
	3,411	-
	<hr/>	<hr/>

The monthly average number of persons employed during the year was 63 (2021: *nil*), with 12 in direct operations and 51 in administration (2021: *nil*).

Notes to the financial statements *(continued)*

7 Directors' remuneration

	2022	2021
Remuneration for qualifying services	240	-
	<u>240</u>	<u>-</u>

There is no director in the Company's defined contribution plan (2021: nil).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2022	2021
Remuneration for qualifying services	240	-
	<u>240</u>	<u>-</u>

The emoluments of the other directors are paid by the parent company, Culina Group Limited. The directors were remunerated for their services to the Culina Group as a whole, including the Company, and it is not possible to allocate their emoluments to the Company. Accordingly, the above details include no emoluments in respect of these directors. Their total emoluments are included in the aggregate of directors' emoluments disclosed in the financial statements of Culina Group Limited.

8 Interest payable and similar charges

	2022 £000	2021 £000
Interest payable on loans from Group undertakings	1,036	-
Interest payable on hire purchase arrangements	1,716	-
	<u>2,752</u>	<u>-</u>

Notes to the financial statements *(continued)*

9 Tax on profit

	2022 £000	2021 £000
Corporation tax		
Group relief surrendered on UK corporation tax for the year	(3,567)	-
Total current tax credit	<u>(3,567)</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	3,573	-
Impact of change in tax rate	1,128	-
Total deferred tax charge	<u>4,701</u>	<u>-</u>
Total tax charge	<u><u>1,134</u></u>	<u><u>-</u></u>

Reconciliation of tax expense

The tax charge assessed for the year is the higher than that arising from applying the standard rate of corporation tax in the UK of 19%. The differences are explained below:

	2022 £000	2021 £000
Profit before taxation	22	-
Profit before taxation multiplied by standard rate of UK Corporation tax of 19%	<u>4</u>	<u>-</u>
Effects of:		
Expenses not deductible for tax purposes	2	-
Effect from change in tax rates	1,128	-
Total tax charge	<u><u>1,134</u></u>	<u><u>-</u></u>

Changes to the UK corporation tax rates were enacted as part of the Finance Act 2021 to increase the main rate of corporation tax from 19% to 25% from 1 April 2023.

Notes to the financial statements *(continued)*

10 Intangible assets

	Computer Software
	£000
Cost	
At 1 January 2022	-
Additions	227
At 31 December 2022	227
Accumulated amortisation	
At 1 January 2022	-
Charge for the year	9
At 31 December 2022	9
Carrying amount	
At 31 December 2022	218
At 31 December 2021	-

11 Tangible assets

	Assets Under Construction	Commercial Vehicles	Cars & Vans	Fixtures & Fittings	IT Equipment	Plant & Machinery	Total
	£000	£000	£000	£000	£000	£000	£000
Cost							
At 1 January 2022	-	-	-	-	-	-	-
Additions	1,901	184,009	642	14	9	3,104	189,679
Disposals	-	(4,627)	(66)	-	-	(27)	(4,720)
At 31 December 2022	1,901	179,382	576	14	9	3,077	184,959
Accumulated depreciation							
At 1 January 2022	-	-	-	-	-	-	-
Charge for the year	-	14,934	88	2	7	593	15,624
Disposals	-	(411)	(15)	-	-	(5)	(431)
At 31 December 2022	-	14,523	73	2	7	588	15,193
Carrying amount							
At 31 December 2022	1,901	164,859	503	12	2	2,489	169,766
At 31 December 2021	-	-	-	-	-	-	-

The net carrying amount of assets held under finance leases included in commercial vehicles is £93,224k (2021: £nil).

Notes to the financial statements *(continued)*

12 Debtors

	2022	2021
	£000	£000
Amounts falling due within one year		
Trade debtors	2,394	-
Amounts owed by group undertakings	29,502	-
VAT recoverable	10,902	-
Other debtors	163	-
Prepayments and accrued income	4,692	-
	<u>47,653</u>	<u>-</u>

The Company reviews all overdue trade debts and provides against any debts based on estimated irrecoverable amounts from the sale of goods, determined by reference to past default experience. In determining the recoverability of a trade receivable, the Company considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. In the current year the Company has not experienced a bad debt (2021: the same).

13 Creditors: amounts falling due within one year

	2022	2021
	£000	£000
Bank overdraft	36,919	-
Obligations under hire purchase arrangements	20,819	-
Trade creditors	10,799	-
Amounts owed to group undertakings	67,842	-
Other creditors including taxation and social security	311	-
Accruals and deferred income	9,794	-
	<u>146,484</u>	<u>-</u>

Bank overdraft includes £36,919k relating to a Group cash pooling facility which incurred no interest charge during the year.

The amounts owed to group undertakings include a £55,000k loan which incurs interest at LIBOR +0.75%, is unsecured and is repayable at the end of the term being 31 December 2023.

14 Creditors: amounts falling due after one year

	2022	2021
	£000	£000
Obligations under hire purchase arrangements	67,564	-
	<u>67,564</u>	<u>-</u>

The Company leases commercial vehicles under hire purchase agreements. The hire purchase agreements are secured against the vehicles or equipment purchased with the remaining terms ranging from 3 to 60 months.

Notes to the financial statements *(continued)*

14 Creditors: amounts falling due after one year (continued)

Total future minimum lease payments under hire purchase arrangements are as follows:

	2022	2021
	£000	£000
Within 1 year	24,445	-
Between 1 and 5 years	71,949	-
Over 5 Years	-	-
	<u>96,394</u>	<u>-</u>

15 Deferred tax liability

	Accelerated capital allowances £000
Deferred tax liability at 1 January 2022	-
Deferred tax movements in current year	
Charged to income statement	3,573
Impact of change in tax rates	1,128
Deferred tax liability at 31 December 2022	<u>4,701</u>

The deferred tax liability reflected in the Company's statement of financial position at 31 December 2022 has been calculated at the rate of 25%, being representative of the enacted rate that is expected to apply to the reversal of the timing difference.

16 Operating leases

Non-cancellable operating lease rentals are payable as follows:

	Other	
	2022	2021
	£000	£000
Within 1 year	18,506	-
Between 1 and 5 years	19,504	-
Over 5 Years	-	-
	<u>38,010</u>	<u>-</u>

The Company leases commercial vehicles, plant & machinery and cars & vans under operating leases. The security on these leases is the physical asset. Leases are also guaranteed by Culina Group Limited.

Notes to the financial statements *(continued)*

17 Called up share capital

	2022	2021
	£000	£000
Allotted, called up and fully paid		
100 Ordinary shares of £1 each (2021: <i>the same</i>)	-	-

The Company has one class of ordinary shares which carry no right to fixed income, each carry the right to one vote at general meetings of the Company. Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held.

18 Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £140k (2021: *nil*). There was £22k outstanding as at 31 December 2022 (2021: *nil*).

19 Related party transactions

As a wholly owned subsidiary of Unternehmensgruppe Theo Muller S.e.c.s, the Company has taken advantage of the exemption available under FRS 102 to not disclose transactions with other members of the Group headed by Unternehmensgruppe Theo Muller S.e.c.s.

Transactions entered into, and trading balances outstanding at 31 December with other related parties are as follows:

2022 Related Party Disclosures	Sales to related party	Purchases from related party	Balance owed by related party	Balance owed to related party
	£000	£000	£000	£000
AST Signs Ltd	500	245	25	35
HGV Curtains Ltd	-	10	-	-
SJP Midlands Group Ltd	133	104	66	12
Smith Bros. Services Ltd	2,257	263	250	2
Total FM Group Ltd	12	43	2	-
Trailer Auto Group Ltd	-	103	300	-
William Stobart & Son Ltd	54	-	15	-
WS Specialist Logistics Ltd	-	43	-	12
WS Storage Solutions Ltd	-	432	-	-
WS Temporary Buildings Ltd	-	43	-	-
WS Transportation Ltd	-	110	25	-

These Companies provide various services to the Company and are related parties due to common directorships.

20 Immediate parent undertakings and ultimate controlling party

The immediate parent company is Culina Group Limited, a Company registered in England and Wales. The ultimate parent undertaking and the smallest and largest group to consolidate these financial statements is Unternehmensgruppe Theo Muller S.e.c.s., a partnership registered in Luxembourg. This entity prepares Group financial statements which are publically available and can be obtained from Unternehmensgruppe Theo Muller S.e.c.s, rue Albert Borschette 2 B, Luxembourg, 1246, LU. The ultimate controlling party is Herr Theo Müller.