
KBC LOGISTICS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2023

KBC LOGISTICS LIMITED

COMPANY INFORMATION

Directors	A Radzynski D Ashford
Registered number	06468707
Registered office	Botany Way Beacon Hill Industrial Estate Purfleet Essex RM19 1SR
Independent auditors	Haslers Chartered Accountants & Statutory Auditor Old Station Road Loughton Essex IG10 4PL

KBC LOGISTICS LIMITED

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**STRATEGIC REPORT
FOR THE YEAR ENDED 31 JANUARY 2023**

Introduction

KBC is a leading specialist transport company dedicated to providing exceptional transportation solutions tailored to meet the unique needs of our clients. With a strong track record of excellence and a commitment to delivering unparalleled service, we take pride in being a trusted partner for businesses across various industries.

We strive to bring operational excellence and integrity to all the transportation services we provide by delivering a safe, secure, reliable, high-quality service. We aim to build good strong relationships and customer loyalty through helping our customers gain a competitive advantage.

Business review

During the last couple of years, the Company has invested mainly in increasing its fleet. As a result, there is a steady increase in business turnover and profitability for the year, despite the UK economic uncertainty due to the COVID pandemic and the impact of Brexit.

During the year, the Company has continued to increase its fleet and carried out a comprehensive plan for the growth and success of the company in the competitive transportation industry. The plan aimed to identify key challenges, opportunities, and strategic initiatives to enhance operational efficiency, expand market presence, and improve overall profitability.

- Conducted a thorough analysis of the haulage industry, including market size, growth trends, and emerging technologies. Identify major competitors and their market share to assess potential areas for growth and differentiation.
- Developed a clear value proposition that set the company apart from competitors. Focus on providing exceptional customer service, timely deliveries, and flexibility in meeting clients' specific transportation needs.
- Embraced technology and continued to invest in modern fleet management systems, GPS tracking, and real-time reporting to optimise operational efficiency and improve service quality.
- Evaluated the existing fleet and considered expanding or updating it to cater to different cargo types and sizes. A diverse fleet allows the company to take on a broader range of transportation contracts.
- Identified cost-saving opportunities throughout the company's operations, such as fuel efficiency improvements, route optimisation, and effective supply chain management.
- Developed a competitive yet profitable pricing model based on market demand, operating costs, and service quality. Regularly review pricing to stay competitive while maintaining profitability.
- Considered expanding operations to new regions with available market potential.
- Regularly monitored and reviewed the progress of these initiatives to adapt to changing market conditions and achieve strategic objectives effectively.

The expansion will lead to an increase in assets, number of employees, clients, and subsequently increasing and improving the cash flows.

Implementing the strategies outlined will position the haulage company for long-term success, sustainable growth, and enhanced profitability in the dynamic transportation industry. By focusing on customer satisfaction, operational efficiency, and embracing technology, the company can gain a competitive edge and secure its position as a reliable and sought-after logistics partner.

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2023**

Principal risks and uncertainties

As with any business, KBC Logistics Ltd faced various risks and uncertainties that could have impacted its operations, financial performance, and overall success. Identifying and understanding these risks was crucial for developing effective risk management strategies. Here are some principal risks and uncertainties that the company encountered during the year, but managed to successfully safeguard:

Economic Volatility: Economic fluctuations, recession, or currency exchange rate fluctuations affecting customer demand, leading to reduced shipping volumes and lower revenue for the haulage company.

Fuel Price Fluctuations: Fuel costs are a significant expense for haulage companies. Fluctuations in fuel prices can directly impact operating expenses and profit margins.

Regulatory Compliance: Non-compliance with transportation regulations, safety standards, or environmental regulations could result in fines, penalties, and potential legal liabilities for the company.

Accidents and Incidents: Traffic accidents, cargo damages, or injuries to drivers and others can lead to insurance claims, increased insurance premiums, and damage to the company's reputation.

Supply Chain Disruptions: Disruptions in the supply chain, such as delayed shipments, unexpected demand changes, or disruptions due to natural disasters, can impact delivery schedules and customer satisfaction.

Technological Disruptions: Rapid advancements in technology can introduce new competition or render existing systems and equipment obsolete, requiring significant investments in technology upgrades.

Driver Shortages: A shortage of qualified and experienced drivers may limit the company's ability to meet customer demands and expand operations.

Cybersecurity Threats: Cyberattacks, data breaches, or IT system failures can compromise sensitive customer information, disrupt operations, and lead to reputational damage.

Competition: Intense competition within the haulage industry may lead to pricing pressures and reduce profit margins.

Environmental Concerns: Growing environmental awareness may lead to increased pressure to adopt eco-friendly practices, imposing additional costs on the company.

Trade and Tariff Changes: Changes in international trade policies, tariffs, or regulations may impact the flow of goods and cross-border transportation.

Pandemics and Health Crises: Outbreaks of diseases or health crises (e.g., COVID-19) can disrupt operations, impact supply chains, and reduce demand for transportation services.

Litigation and Legal Claims: Legal disputes with customers, suppliers, or employees can result in financial losses and reputational damage.

Customer Dependency: Over-reliance on a few key customers could expose the company to significant financial risks if these customers reduce their business or switch to competitors.

Market Consolidation: Mergers and acquisitions within the industry could alter the competitive landscape and affect the company's market position.

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2023**

To address these risks and uncertainties, KBC logistics implemented robust risk management strategies, including insurance coverage, contingency planning, driver training programs, regular maintenance, and diversification of services and customer base. Regularly reviewing and updating risk assessments and risk mitigation plans has enabled the company to navigate challenges effectively and ensure its long-term sustainability and success.

Financial key performance indicators

Financial Performance:

- a. Revenue Analysis: Evaluating the company's revenue streams, including a breakdown of revenue from different transportation services, customer segments, and geographical regions.
- b. Profitability Assessment: Analysing the company's profitability ratios, gross profit margin, operating profit margin, and net profit margin to assess overall financial performance.
- c. Liquidity and Solvency: Examination of the company's liquidity and solvency ratios and cash flow to determine its ability to meet short-term obligations and manage long-term debt.

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2023

Other key performance indicators

Operational Efficiency:

- a. Fleet Utilisation: Assessing the utilisation rate of the company's fleet to identify opportunities for optimising fleet capacity and reducing idle time.
- b. Fuel Efficiency: Reviewing fuel consumption data and assess initiatives taken to improve fuel efficiency and reduce operational costs.
- c. Maintenance Management: Evaluating the maintenance practices and schedules to ensure compliance with industry standards and assess their impact on fleet reliability.
- d. Delivery Performance: Analysing on-time delivery performance and customer service metrics to gauge the company's ability to meet customer expectations.

Regulatory Compliance:

- a. Transportation Regulations: Verifying compliance with local, national, and international transportation regulations and safety standards.
- b. Environmental Compliance: Assessing the company's adherence to environmental regulations and its efforts to reduce its environmental impact.

Risk Management:

- a. Insurance Coverage: Reviewing insurance policies and coverage to ensure adequate protection against potential risks and liabilities.
- b. Contingency Planning: Evaluating the company's contingency plans for managing unforeseen events and disruptions to the supply chain.

Customer Satisfaction:

- a. Customer Feedback: Analysing customer feedback, complaints, and correspondence to gauge overall customer satisfaction levels.
- b. Service Quality: Assess the company's efforts to improve service quality, responsiveness, and customer communication.

Employee Performance and Safety:

- a. Driver Training: Reviewing driver training programs and certifications to ensure compliance with safety standards.
- b. Employee Safety: Evaluating safety records and measures taken to promote a safe work environment for drivers and other employees.

Technological Advancements:

- a. Technology Integration: Assessing the adoption of technology, including fleet management systems, GPS tracking, and digital documentation, to enhance operational efficiency.
- b. Data Security: Reviewing data security measures to protect sensitive company and customer information.

The business periodically review provides a comprehensive analysis of KBC's financial performance, operational efficiency, regulatory compliance, risk management, customer satisfaction, employee safety, and technological advancements. Carrying on periodic business reviews will serve as valuable insights for continuous development of the company, helping the company to identify strengths,

weaknesses, and areas for improvement.

The company will continue to use the business periodic reviews for the year to come to enhance decision-making processes and implement necessary changes to ensure the company's long-term success and

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2023

sustainability.

Future plans include improving accounts and payroll software, which is crucial for enhancing efficiency, accuracy, and overall productivity in financial management, and continuous development of the current in house bespoke planning software, concentrating on:

- Integration and Automation
- User-Friendly Interface
- Enhanced Security Measures
- Scalability
- Customisation and Reporting
- Compliance and Tax Updates
- Integration with Banking Institutions
- Mobile Accessibility

During the year, KBC Logistics Ltd has demonstrated commendable achievements in customer satisfaction, operational efficiency, market penetration. The dedication and hard work of the team have been instrumental in positioning the company as a strong competitor within the haulage industry.

This report was approved by the board on 27 October 2023 and signed on its behalf.

A Radzynski
Director

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

The directors present their report and the financial statements for the year ended 31 January 2023.

Results and dividends

The profit for the year, after taxation, amounted to £1,860,614 (2022 - £1,724,544).

Dividends amounting to £28,000 (2022 : £24,300) were paid in the year.

Directors

The directors who served during the year were:

A Radzynski
D Ashford

Future developments

The haulage industry's future developments will be influenced by various factors, including technological advancements, regulations, market demands, and economic conditions. As time progresses, new opportunities and challenges will likely arise, shaping the trajectory of the industry.

As a business it has always been the directors' vision to innovate and create opportunities for expansion and we have successfully accomplished this aim to date.

We will continue to invest in technology and will improve and innovate our services to serve the customer's best interest.

Our intention is to further increase our customer base to cover major UK ports, and to expand and consolidate our position mainly by acquisition of operative land.

We continue to invest in commercial premises, fleet, and qualified personnel and where possible, we aim to externalise services in order to reduce cost and increase efficiency.

On the above basis, the directors of the company continue to adopt the going concern basis of accounting in preparing the financial statements.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

KBC LOGISTICS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2023**

Auditors

The auditors, Haslers, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 27 October 2023 and signed on its behalf.

A Radzynski

Director

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 JANUARY 2023**

The directors are responsible for preparing the Strategic Report, the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KBC LOGISTICS LIMITED

Opinion

We have audited the financial statements of KBC Logistics Limited (the 'Company') for the year ended 31 January 2023, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 January 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KBC LOGISTICS LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the 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 the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 8, 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KBC LOGISTICS LIMITED (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

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

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

Based on our understanding of the legal and regulatory frameworks that are applicable to the entity we have considered those that have a direct and indirect material impact on the financial statements and operations of the company. These include but are not limited to the Companies Act 2006, GDPR, employment and Health & Safety legislation and tax legislation.

We obtained an understanding of how the company are complying with those legal and regulatory frameworks by making inquiries of management. We corroborated our inquiries through our review of documentation generated and assessing the extent of compliance with the relevant laws and regulations.

We discussed among the audit engagement team regarding the opportunities and incentives, including management override of controls, that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for material misstatements due to fraud are in the following areas, and our specific procedures performed to address these are described below:

The risk of management override of controls is the area where the financial statements were most susceptible to material misstatement due to fraud. In addition, the key principal risks related to the existence of inappropriate journal entries to impact the profit for the year and management bias in accounting estimates.

Procedures performed to address these were as follows:

- Identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud, including known or suspected instances of non-compliance with laws and regulations, and fraud,
- Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process,
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Identifying and testing journal entries, in particular any unusual journal entries posted around the year-end and journal entries posted by infrequent system users.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KBC LOGISTICS LIMITED (CONTINUED)

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

Christina Georgiou (Senior Statutory Auditor)

for and on behalf of

Haslers

Chartered Accountants
Statutory Auditor

Old Station Road
Loughton
Essex
IG10 4PL

27 October 2023

KBC LOGISTICS LIMITED

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

	Note	2023 £	2022 £
Turnover	4	52,536,445	39,340,968
Cost of sales		(44,917,366)	(32,696,505)
Gross profit		7,619,079	6,644,463
Administrative expenses		(5,279,636)	(4,646,225)
Other operating income	5	30,629	57,763
Operating profit		2,370,072	2,056,001
Interest receivable and similar income	9	-	213
Interest payable and similar expenses	10	(111,798)	(118,174)
Profit before tax		2,258,274	1,938,040
Tax on profit	11	(397,660)	(213,496)
Profit for the financial year		1,860,614	1,724,544

There were no recognised gains and losses for 2023 or 2022 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2023 (2022:£NIL).

The notes on pages 19 to 32 form part of these financial statements.

KBC LOGISTICS LIMITED
REGISTERED NUMBER: 06468707

BALANCE SHEET
AS AT 31 JANUARY 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	13	9,469,313	7,050,736
		<u>9,469,313</u>	<u>7,050,736</u>
Current assets			
Stocks		144,959	147,581
Debtors: amounts falling due within one year	14	11,910,547	10,296,312
Cash at bank and in hand	15	82,093	88,409
		<u>12,137,599</u>	<u>10,532,302</u>
Creditors: amounts falling due within one year	16	(6,922,131)	(5,832,095)
Net current assets		<u>5,215,468</u>	<u>4,700,207</u>
Total assets less current liabilities		<u>14,684,781</u>	<u>11,750,943</u>
Creditors: amounts falling due after more than one year	17	(2,526,446)	(1,822,941)
Provisions for liabilities			
Deferred tax	20	(815,155)	(417,436)
		<u>(815,155)</u>	<u>(417,436)</u>
Net assets		<u><u>11,343,180</u></u>	<u><u>9,510,566</u></u>
Capital and reserves			
Called up share capital	21	100	100
Profit and loss account	22	11,343,080	9,510,466
		<u>11,343,180</u>	<u>9,510,566</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 October 2023.

A Radzynski
Director

The notes on pages 19 to 32 form part of these financial statements.

KBC LOGISTICS LIMITED

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

	Called up share capital £	Profit and loss account £	Total equity £
At 1 February 2022	100	9,510,466	9,510,566
Comprehensive income for the year			
Profit for the year	-	1,860,614	1,860,614
Contributions by and distributions to owners			
Dividends: Equity capital	-	(28,000)	(28,000)
At 31 January 2023	<u>100</u>	<u>11,343,080</u>	<u>11,343,180</u>

The notes on pages 19 to 32 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JANUARY 2022**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 February 2021	100	7,810,222	7,810,322
Comprehensive income for the year			
Profit for the year	-	1,724,544	1,724,544
Contributions by and distributions to owners			
Dividends: Equity capital	-	(24,300)	(24,300)
At 31 January 2022	<u>100</u>	<u>9,510,466</u>	<u>9,510,566</u>

The notes on pages 19 to 32 form part of these financial statements.

KBC LOGISTICS LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JANUARY 2023**

	2023 £	2022 £
Cash flows from operating activities		
Profit for the financial year	1,860,614	1,724,544
Adjustments for:		
Depreciation of tangible assets	2,226,189	2,149,258
Loss on disposal of tangible assets	(64,804)	(60,060)
Government grants	-	(25,719)
Interest paid	111,987	118,176
Interest received	-	(213)
Taxation charge	397,660	213,496
Decrease/(increase) in stocks	2,622	(28,347)
(Increase) in debtors	(1,613,724)	(1,913,239)
Increase in creditors	583,970	891,069
Corporation tax (paid)	(78,257)	(163,094)
Net cash generated from operating activities	3,426,257	2,905,871
Cash flows from investing activities		
Purchase of tangible fixed assets	(4,654,396)	(3,090,727)
Sale of tangible fixed assets	75,580	252,200
Government grants received	-	25,719
Interest received	-	213
HP interest paid	(111,798)	(118,173)
Net cash from investing activities	(4,690,614)	(2,930,768)

KBC LOGISTICS LIMITED

**STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2023**

	2023	2022
	£	£
Cash flows from financing activities		
Repayment of/new finance leases	694,397	26,611
Dividends paid	(28,000)	(24,300)
Interest paid	(189)	(3)
	666,208	2,308
Net cash used in financing activities		
	(598,149)	(22,589)
Cash and cash equivalents at beginning of year	(96,024)	(73,435)
	(694,173)	(96,024)
Cash and cash equivalents at the end of year		
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	82,093	88,409
Bank overdrafts	(776,266)	(184,433)
	(694,173)	(96,024)

The notes on pages 19 to 32 form part of these financial statements.

KBC LOGISTICS LIMITED

ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 JANUARY 2023

	At 1 February 2022 £	Cash flows £	At 31 January 2023 £
Cash at bank and in hand	88,409	(6,316)	82,093
Bank overdrafts	(184,433)	(591,833)	(776,266)
Debt due within 1 year	(424,693)	(134,525)	(559,218)
Finance leases	(4,019,397)	(694,397)	(4,713,794)
	<u>(4,540,114)</u>	<u>(1,427,071)</u>	<u>(5,967,185)</u>

The notes on pages 19 to 32 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2023

1. General information

KBC Logistics Limited is a private company limited by shares, incorporated in England and Wales. The registered office is Hanson Yard, Botany Way, Purfleet, Essex, RM19 1SR.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The financial statements are presented in pounds sterling which is the functional currency of the company and rounded to the nearest £.

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Revenue is recognised on the date the transport service takes place.

2.3 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, Details are as follows.

Depreciation is provided on the following basis:

Freehold property	-	
Motor vehicles	-	25% reducing balance
Fixtures and fittings	-	25% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2023

2. Accounting policies (continued)

2.4 Operating leases: the Company as lessee

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

2.5 Leased assets: the Company as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.6 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.7 Debtors

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

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.9 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

2.10 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2023

2. Accounting policies (continued)

2.11 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

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

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

2.12 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.13 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.14 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2023

2. Accounting policies (continued)

2.15 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

2.16 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.17 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.18 Current and deferred taxation

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

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2023

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In applying the company's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on the historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period which the estimate is revised, if the revision affects only that period, or in the period of revision and future periods, if the revision affects both current and future periods.

Management considers that there are no judgements that have been made in the process of applying the entity's accounting policies that have a significant effect on the financial statements. Furthermore, management considers that there are no areas of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

4. Turnover

An analysis of turnover by class of business is as follows:

	2023 £	2022 £
Transport services	52,536,445	39,340,968
	<u>52,536,445</u>	<u>39,340,968</u>

All turnover arose within the United Kingdom.

5. Other operating income

	2023 £	2022 £
Other operating income	30,651	32,801
Government grants receivable	-	25,719
Foreign exchange difference - gain	(22)	(757)
	<u>30,629</u>	<u>57,763</u>

KBC LOGISTICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2023**

6. Auditors' remuneration

During the year, the Company obtained the following services from the Company's auditors:

	2023 £	2022 £
Fees payable to the Company's auditors for the audit of the Company's financial statements	17,500	14,500

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2023 £	2022 £
Wages and salaries	9,186,729	8,694,183
Social security costs	930,300	843,356
Cost of defined contribution scheme	144,186	218,085
	10,261,215	9,755,624

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

	2023 No.	2022 No.
Sales and administration	237	233

8. Directors' remuneration

	2023 £	2022 £
Directors' emoluments	62,969	59,323
Company contributions to defined contribution pension schemes	1,318	41,317
	64,287	100,640

During the year retirement benefits were accruing to no directors (2022 - NIL) in respect of defined contribution pension schemes.

KBC LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2023

9. Interest receivable

	2023 £	2022 £
Other interest receivable	-	213
	<u>-</u>	<u>213</u>

10. Interest payable and similar expenses

	2023 £	2022 £
Other loan interest payable	189	3
Finance leases and hire purchase contracts	111,609	118,171
	<u>111,798</u>	<u>118,174</u>

11. Taxation

	2023 £	2022 £
Corporation tax		
Current tax on profits for the year	-	107,452
Adjustments in respect of previous periods	(58)	(70,807)
	<u>(58)</u>	<u>36,645</u>
	<u>(58)</u>	<u>36,645</u>
Total current tax	<u>(58)</u>	<u>36,645</u>
Deferred tax		
Origination and reversal of timing differences	397,718	176,851
	<u>397,718</u>	<u>176,851</u>
Total deferred tax	<u>397,718</u>	<u>176,851</u>
	<u>397,660</u>	<u>213,496</u>
Tax on profit	<u>397,660</u>	<u>213,496</u>

KBC LOGISTICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2023**

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2022 - *the same as*) the standard rate of corporation tax in the UK of 19% (2022 - 19%) as set out below:

	2023 £	2022 £
Profit on ordinary activities before tax	<u>2,258,273</u>	<u>1,938,040</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2022 - 19%)	(58)	368,228
Effects of:		
Short-term timing difference leading to an increase (decrease) in taxation	22,324	(9,322)
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	-	(145,410)
Unrelieved tax losses carried forward	375,394	-
Total tax charge for the year	<u><u>397,660</u></u>	<u><u>213,496</u></u>

Factors that may affect future tax charges

During March 2021 the UK chancellor announced an expected change to the UK's main corporation tax rates from 19% to 25% which was subsequently enacted into the Finance Act in June 2021. The main rate will increase to 25% from 1 April 2023 and will impact the corporation tax provision of the Company from that date. The deferred tax provision has been adjusted in these financial statements in recognition of this change

12. Dividends

	2023 £	2022 £
Ordinary shares	28,000	24,300
	<u><u>28,000</u></u>	<u><u>24,300</u></u>

KBC LOGISTICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2023**

13. Tangible fixed assets

	Freehold land £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 February 2022	-	14,189,298	261,495	14,450,793
Additions	754,001	3,841,898	58,497	4,654,396
Disposals	-	(30,705)	-	(30,705)
At 31 January 2023	<u>754,001</u>	<u>18,000,491</u>	<u>319,992</u>	<u>19,074,484</u>
Depreciation				
At 1 February 2022	-	7,205,557	194,500	7,400,057
Charge for the year on owned assets	-	726,522	32,884	759,406
Charge for the year on financed assets	-	1,465,637	-	1,465,637
Disposals	-	(19,929)	-	(19,929)
At 31 January 2023	<u>-</u>	<u>9,377,787</u>	<u>227,384</u>	<u>9,605,171</u>
Net book value				
At 31 January 2023	<u>754,001</u>	<u>8,622,704</u>	<u>92,608</u>	<u>9,469,313</u>
At 31 January 2022	<u>-</u>	<u>6,983,741</u>	<u>66,995</u>	<u>7,050,736</u>

The net book value of land and buildings may be further analysed as follows:

	2023 £	2022 £
Freehold land	<u>754,001</u>	-
	<u>754,001</u>	-

KBC LOGISTICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2023**

13. Tangible fixed assets (continued)

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2023 £	2022 £
Motor vehicles	4,713,794	4,019,497
	<u>4,713,794</u>	<u>4,019,497</u>

14. Debtors

	2023 £	2022 £
Trade debtors	6,966,186	5,888,010
Other debtors	3,801,044	3,218,934
Prepayments and accrued income	1,143,317	1,189,368
	<u>11,910,547</u>	<u>10,296,312</u>

15. Cash and cash equivalents

	2023 £	2022 £
Cash at bank and in hand	82,093	88,409
Less: bank overdrafts	(776,266)	(184,433)
	<u>(694,173)</u>	<u>(96,024)</u>

KBC LOGISTICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2023**

16. Creditors: Amounts falling due within one year

	2023	2022
	£	£
Bank overdrafts	776,266	184,433
Trade creditors	2,592,497	2,137,280
Corporation tax	-	77,802
Other taxation and social security	170,424	175,012
Obligations under finance lease and hire purchase contracts	2,187,349	2,196,456
Other creditors	588,098	443,703
Accruals and deferred income	607,497	617,409
	6,922,131	5,832,095
	6,922,131	5,832,095

The following liabilities were secured:

	2023	2022
	£	£
Bank Overdraft	779,788	184,433
	779,788	184,433
	779,788	184,433

The Company has an invoice finance facility with its bankers. Balances due are secured on the assets of the company.

The Company has hire purchase facilities. Balances due are secured on the asset they relate to.

17. Creditors: Amounts falling due after more than one year

	2023	2022
	£	£
Net obligations under finance leases and hire purchase contracts	2,526,446	1,822,941
	2,526,446	1,822,941
	2,526,446	1,822,941

KBC LOGISTICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2023**

18. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2023	2022
	£	£
Within one year	2,187,349	2,196,456
Between 1-5 years	2,526,446	1,822,941
	<u>4,713,795</u>	<u>4,019,397</u>

19. Financial instruments

	2023	2022
	£	£
Financial assets		
Financial assets measured at fair value through profit or loss	<u>82,093</u>	<u>88,409</u>

Financial assets measured at fair value through profit or loss comprise of cash and cash equivalents.

KBC LOGISTICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2023**

20. Deferred taxation

	2023 £
At beginning of year	(417,436)
Charged to profit or loss	(397,718)
At end of year	<u>(815,154)</u>

The provision for deferred taxation is made up as follows:

	2023 £	2022 £
Accelerated capital allowances	(1,190,548)	(417,436)
Tax losses carried forward	375,394	-
	<u>(815,154)</u>	<u>(417,436)</u>

21. Share capital

	2023 £	2022 £
Allotted, called up and fully paid		
100 (2022 - 100) ordinary shares of £1.00 each	<u>100</u>	<u>100</u>

22. Reserves

Profit and loss account

The profit and loss account represents cumulative profits and losses of dividends and other adjustments.

23. Pension commitments

The Company operates a defined contributions 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 £144,186 (2022 - £218,085). Contributions totalling £18,310 (2022 - £5,843) were payable to the fund at the balance sheet date and are included in creditors

KBC LOGISTICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2023**

24. Commitments under operating leases

At 31 January 2023 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023	2022
	£	£
Not later than 1 year	361,000	<i>177,250</i>
Later than 1 year and not later than 5 years	325,000	<i>243,750</i>
	<u>686,000</u>	<u><i>421,000</i></u>

25. Related party transactions

At the year end the following amounts were due from/(to) :

	2023	2022
	£	£
Entities under common control	3,430,566	<i>2,821,487</i>
Key management personnel of the entity (in aggregate)	(531,218)	<i>(424,693)</i>
	<u>2,899,348</u>	<u><i>2,396,794</i></u>

26. Controlling party

The ultimate controlling party is A Radzynski by virtue of his majority shareholding.

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