

**REGISTERED NUMBER: 02847611 (England and Wales)**

**ALCALINE UK LIMITED**  
**GROUP STRATEGIC REPORT,**  
**REPORT OF THE DIRECTOR AND**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2018**

F W Berringer & Co  
Chartered Accountants  
and Statutory Auditors  
Lygon House  
50 London Road  
Bromley  
Kent  
BR1 3RA

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**for the year ended 31 December 2018**

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**ALCALINE UK LIMITED**  
**COMPANY INFORMATION**  
**for the year ended 31 December 2018**

**DIRECTOR:** L Zaccheo

**SECRETARY:** Mrs T Zaccheo

**REGISTERED OFFICE:** Alcaline House Unit S - V  
Lympne Industrial Estate  
Otterpool Lane Lympne  
Hythe  
Kent  
CT21 4LR

**REGISTERED NUMBER:** 02847611 (England and Wales)

**AUDITORS:** F W Berringer & Co  
Chartered Accountants  
and Statutory Auditors  
Lygon House  
50 London Road  
Bromley  
Kent  
BR1 3RA

**GROUP STRATEGIC REPORT  
for the year ended 31 December 2018**

The Director presents his strategic report for the year ended 31 December 2017.

**REVIEW OF BUSINESS**

The principal activity of the company in the year under review was that of haulage contractors.

**Results**

The results for the year and financial position of the company are highlighted below:

Turnover has increased to £24,083,026 in 2018 from £22,818,945 in 2017.

The post tax profit for the year stood at £1,989,423 compared to £1,850,075 in 2017.

Net assets have increased from £7,020,680 in 2017 to £9,645,263 in 2018.

**Key performance indicators**

There are key performance indicators to be considered, both financial and non-financial:

The increase in turnover resulted from the company continuing to obtain new work. This is a positive indicator of its reputation within the industry. As well as this, profitability ratios remain consistent and are in line with expectations.

As a result of the above, the company has expanded its fleet and plans to continue with this policy in 2019.

Staff retention at the company is good in relation to key personnel. The director believes that staff motivation is core to the company's values in order to ensure that the company continues to deliver the high standard services that its customers expect in a competitive industry.

In March 2018, the company successfully completed the purchase of two plots of land based in Lymington, Kent. This is to ensure that the company has the required facilities for its constantly expanding fleet.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The company operates in a competitive market but the main financial risks arising from the company's activities are exchange rate and liquidity risk. The company's policy in respect of liquidity risk is to maintain a balance between short-term and long-term debt. In regards to exchange rate risk the company holds a euro bank account as well as a sterling account and the directors are reviewing the profitability of individual jobs on an ongoing basis.

The uncertainty around Brexit poses a risk for all UK and EU based companies. Alcaline has many EU national employees as well as European based work. However, the director has safeguarded the company against the uncertainties surrounding Brexit by having a strong mix of UK and EU employees, obtaining more UK based work as well as diversifying the services offered by the company which includes on-demand air freight services and real-time vehicle tracking. The company also has a subsidiary based in the Netherlands, Alcaline B.V.

**ON BEHALF OF THE BOARD:**

L Zaccheo - Director

1 June 2019

**REPORT OF THE DIRECTOR  
for the year ended 31 December 2018**

The director presents his report with the financial statements of the company and the group for the year ended 31 December 2018.

**DIVIDENDS**

No dividends will be distributed for the year ended 31 December 2018.

**DIRECTOR**

L Zaccheo held office during the whole of the period from 1 January 2018 to the date of this report.

**STATEMENT OF DIRECTOR'S RESPONSIBILITIES**

The director is responsible for preparing the Group strategic report, the Report of the director and the financial statements in accordance with applicable law and regulations.

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

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

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

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

**AUDITORS**

The auditors, F W Berringer & Co, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

L Zaccheo - Director

1 June 2019

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ALCALINE UK LIMITED**

### **Opinion**

We have audited the financial statements of Alcaline UK Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2018 which comprise the Consolidated income statement, Consolidated other comprehensive income, Consolidated balance sheet, Company balance sheet, Consolidated statement of changes in equity, Company statement of changes in equity, Consolidated cash flow statement and Notes to the consolidated cash flow statement, Notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 31 December 2018 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The director is responsible for the other information. The other information comprises the information in the Group strategic report and the Report of the director, but does not include the financial statements and our Report of the auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Opinion on other 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 Group strategic report and the Report of the director for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group strategic report and the Report of the director have been prepared in accordance with applicable legal requirements.

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ALKALINE UK LIMITED**

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

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group strategic report or the Report of the director.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

### **Responsibilities of director**

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

In preparing the financial statements, the director is responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the group or the parent company or to cease operations, or has no realistic alternative but to do so.

### **Auditors' responsibilities for the audit of the financial statements**

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

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

### **Use of our report**

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

Neil Shaw BA FCCA (Senior Statutory Auditor)  
for and on behalf of F W Berringer & Co  
Chartered Accountants  
and Statutory Auditors  
Lygon House  
50 London Road  
Bromley  
Kent  
BR1 3RA

1 June 2019

**CONSOLIDATED INCOME STATEMENT**  
for the year ended 31 December 2018

	Notes	2018 £	2017 £
<b>TURNOVER</b>	3	<b>24,083,026</b>	22,818,945
Cost of sales		<u>17,918,044</u>	<u>17,388,838</u>
<b>GROSS PROFIT</b>		<b>6,164,982</b>	5,430,107
Administrative expenses		<u>3,522,511</u>	<u>3,089,293</u>
<b>OPERATING PROFIT</b>	5	<b>2,642,471</b>	2,340,814
Interest receivable and similar income		<u>5,626</u>	<u>4,483</u>
		<b>2,648,097</b>	2,345,297
Interest payable and similar expenses	6	<u>146,692</u>	<u>129,678</u>
<b>PROFIT BEFORE TAXATION</b>		<b>2,501,405</b>	2,215,619
Tax on profit	7	<u>511,982</u>	<u>365,544</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>1,989,423</b>	1,850,075
Profit attributable to:			
Owners of the parent		<u>1,989,423</u>	<u>1,850,075</u>

The notes form part of these financial statements

**CONSOLIDATED OTHER COMPREHENSIVE INCOME**  
for the year ended 31 December 2018

Notes	2018 £	2017 £
<b>PROFIT FOR THE YEAR</b>	<b>1,989,423</b>	<b>1,850,075</b>
<b>OTHER COMPREHENSIVE INCOME</b>		
Foreign currency translation	(613)	3,110
Property revaluation	776,835	100,000
Income tax relating to components of other comprehensive income	<u>(132,062)</u>	<u>(18,000)</u>
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX</b>	<u><b>644,160</b></u>	<u><b>85,110</b></u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<u><b>2,633,583</b></u>	<u><b>1,935,185</b></u>
Total comprehensive income attributable to: Owners of the parent	<u><b>2,633,583</b></u>	<u><b>1,935,185</b></u>

**CONSOLIDATED BALANCE SHEET**  
**31 December 2018**

	Notes	2018 £	£	2017 £	£
<b>FIXED ASSETS</b>					
Tangible assets	9		10,172,289		7,456,575
Investments	10		<u>-</u>		<u>-</u>
			10,172,289		7,456,575
<b>CURRENT ASSETS</b>					
Stocks	11	16,226		24,929	
Debtors	12	5,621,352		5,828,103	
Cash at bank and in hand		<u>2,879,491</u>		<u>1,375,284</u>	
		8,517,069		7,228,316	
<b>CREDITORS</b>					
Amounts falling due within one year	13	<u>4,558,510</u>		<u>4,038,609</u>	
<b>NET CURRENT ASSETS</b>			<u>3,958,559</u>		<u>3,189,707</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			14,130,848		10,646,282
<b>CREDITORS</b>					
Amounts falling due after more than one year	14		(3,636,182)		(2,957,244)
<b>PROVISIONS FOR LIABILITIES</b>	18		<u>(840,403)</u>		<u>(668,358)</u>
<b>NET ASSETS</b>			<u>9,654,263</u>		<u>7,020,680</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	19		53,900		53,900
Capital redemption reserve	20		56,100		56,100
Retained earnings	20		<u>9,544,263</u>		<u>6,910,680</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>9,654,263</u>		<u>7,020,680</u>

The financial statements were approved by the director on 1 June 2019 and were signed by:

L Zaccheco - Director

**COMPANY BALANCE SHEET**  
**31 December 2018**

	Notes	2018 £	£	2017 £	£
<b>FIXED ASSETS</b>					
Tangible assets	9		9,959,985		7,176,950
Investments	10		<u>16,306</u>		<u>16,306</u>
			9,976,291		7,193,256
<b>CURRENT ASSETS</b>					
Stocks	11	12,073		20,581	
Debtors	12	5,363,550		5,603,707	
Cash at bank and in hand		<u>2,777,141</u>		<u>1,337,403</u>	
		8,152,764		6,961,691	
<b>CREDITORS</b>					
Amounts falling due within one year	13	<u>4,252,465</u>		<u>3,727,784</u>	
<b>NET CURRENT ASSETS</b>			<u>3,900,299</u>		<u>3,233,907</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			13,876,590		10,427,163
<b>CREDITORS</b>					
Amounts falling due after more than one year	14		(3,585,025)		(2,869,179)
<b>PROVISIONS FOR LIABILITIES</b>	18		<u>(827,696)</u>		<u>(653,695)</u>
<b>NET ASSETS</b>			<u>9,463,869</u>		<u>6,904,289</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	19		53,900		53,900
Capital redemption reserve	20		56,100		56,100
Retained earnings	20		<u>9,353,869</u>		<u>6,794,289</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>9,463,869</u>		<u>6,904,289</u>
Company's profit for the financial year			<u>1,914,807</u>		<u>1,793,620</u>

The financial statements were approved by the director on 1 June 2019 and were signed by:

L Zaccheo - Director

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
for the year ended 31 December 2018

	<b>Called up share capital £</b>	<b>Retained earnings £</b>	<b>Capital redemption reserve £</b>	<b>Total equity £</b>
<b>Balance at 1 January 2017</b>	53,900	4,975,495	56,100	5,085,495
<b>Changes in equity</b>				
Total comprehensive income	-	1,935,185	-	1,935,185
<b>Balance at 31 December 2017</b>	<u>53,900</u>	<u>6,910,680</u>	<u>56,100</u>	<u>7,020,680</u>
<b>Changes in equity</b>				
Total comprehensive income	-	2,633,583	-	2,633,583
<b>Balance at 31 December 2018</b>	<u>53,900</u>	<u>9,544,263</u>	<u>56,100</u>	<u>9,654,263</u>

The notes form part of these financial statements

**COMPANY STATEMENT OF CHANGES IN EQUITY**  
for the year ended 31 December 2018

	<b>Called up share capital £</b>	<b>Retained earnings £</b>	<b>Capital redemption reserve £</b>	<b>Total equity £</b>
<b>Balance at 1 January 2017</b>	53,900	4,918,669	56,100	5,028,669
<b>Changes in equity</b>				
Total comprehensive income	-	1,875,620	-	1,875,620
<b>Balance at 31 December 2017</b>	<u>53,900</u>	<u>6,794,289</u>	<u>56,100</u>	<u>6,904,289</u>
<b>Changes in equity</b>				
Total comprehensive income	-	2,559,580	-	2,559,580
<b>Balance at 31 December 2018</b>	<u>53,900</u>	<u>9,353,869</u>	<u>56,100</u>	<u>9,463,869</u>

The notes form part of these financial statements

**CONSOLIDATED CASH FLOW STATEMENT**  
for the year ended 31 December 2018

	Notes	2018 £	2017 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	4,264,208	1,906,032
Interest paid		(146,692)	(129,678)
Tax paid		(416,812)	(396,476)
Net cash from operating activities		<u>3,700,704</u>	<u>1,379,878</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(2,225,145)	(513,768)
Sale of tangible fixed assets		136,371	97,739
Interest received		5,626	4,483
Net cash from investing activities		<u>(2,083,148)</u>	<u>(411,546)</u>
<b>Cash flows from financing activities</b>			
New loans in year		750,000	-
Loan repayments in year		(76,018)	(54,256)
Movement on Hire purchase creditor		(786,918)	(672,653)
Net cash from financing activities		<u>(112,936)</u>	<u>(726,909)</u>
<b>Increase in cash and cash equivalents</b>		<u>1,504,620</u>	<u>241,423</u>
<b>Cash and cash equivalents at beginning of year</b>	2	1,375,284	1,129,402
Effect of foreign exchange rate changes		(413)	4,459
<b>Cash and cash equivalents at end of year</b>	2	<u>2,879,491</u>	<u>1,375,284</u>

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT**  
for the year ended 31 December 2018

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

	2018	2017
	£	£
Profit before taxation	2,501,405	2,215,619
Depreciation charges	1,006,333	922,683
Loss/(profit) on disposal of fixed assets	43,141	(15,935)
Exchange rate movement	(1,443)	(3,418)
Finance costs	146,692	129,678
Finance income	(5,626)	(4,483)
	<u>3,690,502</u>	<u>3,244,144</u>
Decrease/(increase) in stocks	8,703	(11,349)
Decrease/(increase) in trade and other debtors	206,751	(1,351,658)
Increase in trade and other creditors	<u>358,252</u>	<u>24,895</u>
<b>Cash generated from operations</b>	<u><b>4,264,208</b></u>	<u><b>1,906,032</b></u>

2. **CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash flow statement in respect of cash and cash equivalents are in respect of these Balance sheet amounts:

**Year ended 31 December 2018**

	31.12.18	1.1.18
	£	£
Cash and cash equivalents	<u>2,879,491</u>	<u>1,375,284</u>

**Year ended 31 December 2017**

	31.12.17	1.1.17
	£	£
Cash and cash equivalents	<u>1,375,284</u>	<u>1,129,402</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**for the year ended 31 December 2018**

**1. STATUTORY INFORMATION**

Alcaline UK Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

**Basis of consolidation**

The consolidated financial statements contain information about Alcaline UK Limited and its wholly owned subsidiary Alcaline B.V. which is based in the Netherlands.

**Turnover**

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

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Improvements to property	- at varying rates on cost
Plant and machinery	- 25% on reducing balance
Fixtures and fittings	- 25% on reducing balance
Vehicles	- 25% on reducing balance and Straight line over 10 years

**Stocks**

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

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**for the year ended 31 December 2018**

**2. ACCOUNTING POLICIES - continued****Hire purchase and leasing commitments**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

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

**3. TURNOVER**

The turnover and profit before taxation are attributable to the one principal activity of the group.

An analysis of turnover by geographical market is given below:

	2018	2017
	£	£
United Kingdom	12,282,343	11,637,662
Other EC Countries	11,800,683	11,181,283
	<u>24,083,026</u>	<u>22,818,945</u>

**4. EMPLOYEES AND DIRECTORS**

	2018	2017
	£	£
Wages and salaries	<u>5,209,303</u>	<u>4,611,414</u>

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

	2018	2017
Drivers	116	99
Administration	24	23
	<u>140</u>	<u>122</u>

The average number of employees by undertakings that were proportionately consolidated during the year was 37 (2017 - 37) .

	2018	2017
	£	£
Director's remuneration	<u>121,399</u>	<u>121,336</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
for the year ended 31 December 2018

**5. OPERATING PROFIT**

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

	2018	2017
	£	£
Vehicle hire	134,913	142,149
Depreciation - owned assets	467,137	359,263
Depreciation - assets on hire purchase contracts	540,860	561,874
Loss/(profit) on disposal of fixed assets	43,141	(15,935)
Auditors remuneration	31,086	29,850
Foreign exchange differences	<u>(79,327)</u>	<u>(180,356)</u>

**6. INTEREST PAYABLE AND SIMILAR EXPENSES**

	2018	2017
	£	£
Hire purchase interest	103,302	103,212
Mortgage	<u>43,390</u>	<u>26,466</u>
	<u>146,692</u>	<u>129,678</u>

**7. TAXATION**

**Analysis of the tax charge**

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

	2018	2017
	£	£
Current tax:		
UK corporation tax	472,130	416,294
Over/ provision in prior year	-	1,222
Total current tax	<u>472,130</u>	<u>417,516</u>
Deferred taxation	<u>39,852</u>	<u>(51,972)</u>
Tax on profit	<u>511,982</u>	<u>365,544</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**for the year ended 31 December 2018**

**7. TAXATION - continued****Reconciliation of total tax charge included in profit and loss**

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

	2018 £	2017 £
Profit before tax	<u>2,501,405</u>	<u>2,215,619</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 19.250%)	475,267	426,507
Effects of:		
Expenses not deductible for tax purposes	638	476
Capital allowances in excess of depreciation	(11,525)	-
Depreciation in excess of capital allowances	-	805
Adjustments to tax charge in respect of previous periods	156	1,222
Finance lease adjustment	(480)	(5,575)
Deferred taxation movement	39,852	(51,971)
Profit attributable to foreign subsidiary	736	(5,796)
(Profit)/loss on disposal of assets	7,338	(124)
Total tax charge	<u>511,982</u>	<u>365,544</u>

**Tax effects relating to effects of other comprehensive income**

	2018 Gross £	Tax £	Net £
Foreign currency translation	(613)	-	(613)
Property revaluation	<u>776,835</u>	<u>(132,062)</u>	<u>644,773</u>
	<u>776,222</u>	<u>(132,062)</u>	<u>644,160</u>
	2017		
	Gross £	Tax £	Net £
Foreign currency translation	3,110	-	3,110
Property revaluation	<u>100,000</u>	<u>(18,000)</u>	<u>82,000</u>
	<u>103,110</u>	<u>(18,000)</u>	<u>85,110</u>

**8. INDIVIDUAL INCOME STATEMENT**

As permitted by Section 408 of the Companies Act 2006, the Income statement of the parent company is not presented as part of these financial statements.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
for the year ended 31 December 2018

**9. TANGIBLE FIXED ASSETS****Group**

	Freehold property £	Improvements to property £	Plant and machinery £
<b>COST OR VALUATION</b>			
At 1 January 2018	2,289,429	40,640	264,926
Additions	798,165	-	528,070
Revaluations	776,835	-	-
At 31 December 2018	<b>3,864,429</b>	<b>40,640</b>	<b>792,996</b>
<b>DEPRECIATION</b>			
At 1 January 2018	29,256	813	209,875
Charge for year	-	813	27,030
Eliminated on disposal	-	-	-
Exchange differences	-	-	-
At 31 December 2018	<b>29,256</b>	<b>1,626</b>	<b>236,905</b>
<b>NET BOOK VALUE</b>			
At 31 December 2018	<b>3,835,173</b>	<b>39,014</b>	<b>556,091</b>
At 31 December 2017	2,260,173	39,827	55,051

  

	Fixtures and fittings £	Vehicles £	Totals £
<b>COST OR VALUATION</b>			
At 1 January 2018	202,097	9,608,062	12,405,154
Additions	-	1,797,116	3,123,351
Disposals	-	(677,432)	(677,432)
Revaluations	-	-	776,835
Exchange differences	125	11,195	11,320
At 31 December 2018	<b>202,222</b>	<b>10,738,941</b>	<b>15,639,228</b>
<b>DEPRECIATION</b>			
At 1 January 2018	157,658	4,550,977	4,948,579
Charge for year	11,835	968,319	1,007,997
Eliminated on disposal	-	(497,920)	(497,920)
Exchange differences	-	8,283	8,283
At 31 December 2018	<b>169,493</b>	<b>5,029,659</b>	<b>5,466,939</b>
<b>NET BOOK VALUE</b>			
At 31 December 2018	<b>32,729</b>	<b>5,709,282</b>	<b>10,172,289</b>
At 31 December 2017	44,439	5,057,085	7,456,575

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the year ended 31 December 2018

9. TANGIBLE FIXED ASSETS - continued

Group

Cost or valuation at 31 December 2018 is represented by:

	Freehold property £	Improvements to property £	Plant and machinery £
Valuation in 2018	1,580,539	-	-
Cost	2,283,890	40,640	792,996
	<u>3,864,429</u>	<u>40,640</u>	<u>792,996</u>

  

	Fixtures and fittings £	Vehicles £	Totals £
Valuation in 2018	-	137,427	1,717,966
Cost	202,222	10,601,514	13,921,262
	<u>202,222</u>	<u>10,738,941</u>	<u>15,639,228</u>

If freehold land and buildings had not been revalued they would have been included at the following historical cost:

	2018 £	2017 £
Cost	<u>2,324,530</u>	<u>1,485,726</u>
Aggregate depreciation	<u>84,073</u>	<u>76,972</u>
Value of land in freehold land and buildings	<u>1,698,165</u>	<u>900,000</u>

Freehold land and buildings were valued on an open market basis on 31 December 2018 by the directors .

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**for the year ended 31 December 2018**

**9. TANGIBLE FIXED ASSETS - continued****Group**

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

	<b>Vehicles</b>
	<b>£</b>
<b>COST OR VALUATION</b>	
At 1 January 2018	5,407,854
Additions	1,283,194
Disposals	(124,235)
Exchange differences	3,412
Transfer to ownership	(1,130,966)
At 31 December 2018	<u>5,439,259</u>
<b>DEPRECIATION</b>	
At 1 January 2018	1,515,173
Charge for year	540,860
Eliminated on disposal	(24,454)
Exchange differences	1,793
Transfer to ownership	(704,699)
At 31 December 2018	<u>1,328,673</u>
<b>NET BOOK VALUE</b>	
At 31 December 2018	<u>4,110,586</u>
At 31 December 2017	<u>3,892,681</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**for the year ended 31 December 2018**

**9. TANGIBLE FIXED ASSETS - continued****Company**

	<b>Freehold property £</b>	<b>Improvements to property £</b>	<b>Plant and machinery £</b>
<b>COST OR VALUATION</b>			
At 1 January 2018	2,289,429	40,640	264,926
Additions	798,165	-	528,070
Revaluations	776,835	-	-
At 31 December 2018	<b>3,864,429</b>	<b>40,640</b>	<b>792,996</b>
<b>DEPRECIATION</b>			
At 1 January 2018	29,256	813	209,875
Charge for year	-	813	27,030
Eliminated on disposal	-	-	-
At 31 December 2018	<b>29,256</b>	<b>1,626</b>	<b>236,905</b>
<b>NET BOOK VALUE</b>			
At 31 December 2018	<b>3,835,173</b>	<b>39,014</b>	<b>556,091</b>
At 31 December 2017	2,260,173	39,827	55,051

  

	<b>Fixtures and fittings £</b>	<b>Vehicles £</b>	<b>Totals £</b>
<b>COST OR VALUATION</b>			
At 1 January 2018	160,938	8,577,489	11,333,422
Additions	-	1,742,317	3,068,552
Disposals	-	(613,677)	(613,677)
Revaluations	-	-	776,835
At 31 December 2018	<b>160,938</b>	<b>9,706,129</b>	<b>14,565,132</b>
<b>DEPRECIATION</b>			
At 1 January 2018	127,989	3,788,539	4,156,472
Charge for year	8,237	846,760	882,840
Eliminated on disposal	-	(434,165)	(434,165)
At 31 December 2018	<b>136,226</b>	<b>4,201,134</b>	<b>4,605,147</b>
<b>NET BOOK VALUE</b>			
At 31 December 2018	<b>24,712</b>	<b>5,504,995</b>	<b>9,959,985</b>
At 31 December 2017	32,949	4,788,950	7,176,950

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the year ended 31 December 2018

9. TANGIBLE FIXED ASSETS - continued

Company

Cost or valuation at 31 December 2018 is represented by:

	Freehold property £	Improvements to property £	Plant and machinery £
Valuation in 2018	1,580,538	-	-
Cost	2,283,891	40,640	792,996
	<u>3,864,429</u>	<u>40,640</u>	<u>792,996</u>

  

	Fixtures and fittings £	Vehicles £	Totals £
Valuation in 2018	-	137,428	1,717,966
Cost	160,938	9,568,701	12,847,166
	<u>160,938</u>	<u>9,706,129</u>	<u>14,565,132</u>

If freehold land and buildings had not been revalued they would have been included at the following historical cost:

	2018 £	2017 £
Cost	<u>2,324,530</u>	<u>1,485,726</u>
Aggregate depreciation	<u>84,073</u>	<u>76,972</u>
Value of land in freehold land and buildings	<u>1,698,165</u>	<u>900,000</u>

Freehold land and buildings were valued on an open market basis on 31 December 2018 by the directors .

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**for the year ended 31 December 2018**

**9. TANGIBLE FIXED ASSETS - continued****Company**

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

	<b>Vehicles</b>
	<b>£</b>
<b>COST OR VALUATION</b>	
At 1 January 2018	5,093,753
Additions	1,283,194
Disposals	(124,235)
Transfer to ownership	(1,130,966)
At 31 December 2018	<u>5,121,746</u>
<b>DEPRECIATION</b>	
At 1 January 2018	1,350,140
Charge for year	483,713
Eliminated on disposal	(24,454)
Transfer to ownership	(704,699)
At 31 December 2018	<u>1,104,700</u>
<b>NET BOOK VALUE</b>	
At 31 December 2018	<u>4,017,046</u>
At 31 December 2017	<u>3,743,613</u>

**10. FIXED ASSET INVESTMENTS****Company**

	<b>Unlisted</b>
	<b>investments</b>
	<b>£</b>
<b>COST</b>	
At 1 January 2018	
and 31 December 2018	<u>16,306</u>
<b>NET BOOK VALUE</b>	
At 31 December 2018	<u>16,306</u>
At 31 December 2017	<u>16,306</u>

**11. STOCKS**

	<b>Group</b>		<b>Company</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Stocks	<u>16,226</u>	<u>24,929</u>	<u>12,073</u>	<u>20,581</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**for the year ended 31 December 2018**

**12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	4,191,325	4,705,665	3,653,850	4,097,609
Amounts owed by group undertakings	-	-	517,728	502,660
Other debtors	951,406	846,799	713,351	727,799
Prepayments and accrued income	478,621	275,639	478,621	275,639
	<u>5,621,352</u>	<u>5,828,103</u>	<u>5,363,550</u>	<u>5,603,707</u>

**13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loans and overdrafts (see note 15)	86,271	54,941	86,271	54,941
Hire purchase contracts (see note 16)	953,326	878,325	915,462	819,295
Trade creditors	2,002,007	1,695,471	1,863,610	1,543,905
Taxation	468,465	413,147	451,147	410,142
Social security and other taxes	303,825	357,342	277,031	334,038
Other creditors	11,629	16,576	11,629	16,576
Accrued expenses	732,987	622,807	647,315	548,887
	<u>4,558,510</u>	<u>4,038,609</u>	<u>4,252,465</u>	<u>3,727,784</u>

**14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Other loans (see note 15)	1,744,624	1,101,973	1,744,624	1,101,973
Hire purchase contracts (see note 16)	1,891,558	1,855,271	1,840,401	1,767,206
	<u>3,636,182</u>	<u>2,957,244</u>	<u>3,585,025</u>	<u>2,869,179</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the year ended 31 December 2018

15. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank loans - less than 1 yr	<u>86,271</u>	<u>54,941</u>	<u>86,271</u>	<u>54,941</u>
Amounts falling due in more than five years:				
Repayable by instalments				
Bank loan - more 1 yr	<u>1,744,624</u>	<u>1,101,973</u>	<u>1,744,624</u>	<u>1,101,973</u>

16. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Hire purchase contracts	
	2018	2017
	£	£
Gross obligations repayable:		
Within one year	1,010,893	940,447
Between one and five years	<u>1,950,407</u>	<u>1,926,041</u>
	<u>2,961,300</u>	<u>2,866,488</u>
Finance charges repayable:		
Within one year	57,567	62,122
Between one and five years	<u>58,849</u>	<u>70,770</u>
	<u>116,416</u>	<u>132,892</u>
Net obligations repayable:		
Within one year	953,326	878,325
Between one and five years	<u>1,891,558</u>	<u>1,855,271</u>
	<u>2,844,884</u>	<u>2,733,596</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the year ended 31 December 2018

16. LEASING AGREEMENTS - continued

Company

	Hire purchase contracts	
	2018	2017
	£	£
Gross obligations repayable:		
Within one year	973,029	881,417
Between one and five years	<u>1,899,250</u>	<u>1,837,976</u>
	<u>2,872,279</u>	<u>2,719,393</u>
Finance charges repayable:		
Within one year	57,567	62,122
Between one and five years	<u>58,849</u>	<u>70,770</u>
	<u>116,416</u>	<u>132,892</u>
Net obligations repayable:		
Within one year	915,462	819,295
Between one and five years	<u>1,840,401</u>	<u>1,767,206</u>
	<u>2,755,863</u>	<u>2,586,501</u>

17. SECURED DEBTS

The following secured debts are included within creditors:

	Group	
	2018	2017
	£	£
Bank loan	<u>1,830,895</u>	<u>1,156,914</u>
First charge over freehold property known as Land on the east side of, Otterpool Lane, Lympe, Hythe, CT21 4LR and Plots 20 & 30 at Link Park, Otterpool Lane, Lympe, Hythe, Kent.		

18. PROVISIONS FOR LIABILITIES

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Deferred taxation	<u>840,403</u>	<u>668,358</u>	<u>827,696</u>	<u>653,695</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**for the year ended 31 December 2018**

**18. PROVISIONS FOR LIABILITIES - continued****Group**

	<b>Deferred tax £</b>
Balance at 1 January 2018	668,358
Provided during year	<u>172,045</u>
Balance at 31 December 2018	<u><u>840,403</u></u>

**Company**

	<b>Deferred tax £</b>
Balance at 1 January 2018	653,695
Provided during year	174,001
Deferred taxation movement	
Balance at 31 December 2018	<u><u>827,696</u></u>

**19. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	<b>2018 £</b>	2017 £
53,900	Ordinary 'A'	1	<u><u>53,900</u></u>	<u><u>53,900</u></u>

**20. RESERVES****Group**

	<b>Retained earnings £</b>	<b>Capital redemption reserve £</b>	<b>Totals £</b>
At 1 January 2018	6,910,680	56,100	6,966,780
Profit for the year	1,989,423		1,989,423
Translation and revaluation reserve	<u>644,160</u>	<u>-</u>	<u>644,160</u>
At 31 December 2018	<u><u>9,544,263</u></u>	<u><u>56,100</u></u>	<u><u>9,600,363</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the year ended 31 December 2018

20. **RESERVES - continued**

**Company**

	Retained earnings £	Capital redemption reserve £	Totals £
At 1 January 2018	6,794,289	56,100	6,850,389
Profit for the year	1,914,807		1,914,807
Translation and revaluation reserve	644,773	-	644,773
At 31 December 2018	<u>9,353,869</u>	<u>56,100</u>	<u>9,409,969</u>

21. **RELATED PARTY DISCLOSURES**

**Other related parties**

	2018 £	2017 £
Sales	7,690	7,748
Purchases	<u>3,447,598</u>	<u>2,758,245</u>

22. **ULTIMATE CONTROLLING PARTY**

The controlling party is L Zaccheo.

The ultimate controlling party is L Zaccheo.

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.