
BORCHARD LINES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2022

BORCHARD LINES LIMITED

COMPANY INFORMATION

Directors	D Borchard R M Borchard E A Brenden L C H Brenden
Registered number	00517224
Registered office	5th Floor Bevis Marks House 24 Bevis Marks London EC3A 7JB
Independent auditors	BKL Audit LLP Chartered Accountants & Statutory Auditor 35 Ballards Lane London N3 1XW

BORCHARD LINES LIMITED

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**GROUP STRATEGIC REPORT
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2022**

Introduction

The Directors present the strategic report for the 9 month period ended 31 December 2022.

Business review

The directors are satisfied with the performance of the Group for the year,

The Group has continued to provide door to door transportation services with its noted reliability. Working with long term clients and supplier partners has been the long term strategy of the Group. Providing continued good services post COVID-19 is a mark of this. During the 9 month period the Group achieved over 94% on time arrivals.

Principal risks and uncertainties

Liquidity risk:

The Group maintains adequate liquidity at all times for its operations. It does not take disproportionate risks.

Operational risk:

The Group operates in an environment with many operational risks. These include mechanical, weather, environmental, terminal and landside. Through its attention to detail and long term insights it mitigates the effects of these by being agile with quick decision making processes. The company is ISO 9000 certified and develops its Sustainability Report on an annual basis.

Key personnel:

The Group works together with many long term colleagues across the region. This is a key strength. In addition, the Group has an obligation to meet Health & Safety requirements, which it does through internal policies and procedures and through using the services of external specialist advisers where necessary.

Financial key performance indicators

Amongst all key performance indicators, the Group looks particularly carefully to maintain low debt to ensure its stable future operations. In December 2022 the Group had £12,243,580 of long term debt (April 2022: £5,438,381).

Other key performance indicators

The Group also looks carefully at its outstanding receivables to ensure cashflow and the avoidance of bad debts occurring. In December 2022 the Group had £6,421,807 of outstanding trade receivables (April 2022: £10,403,652).

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2022**

Directors' statement of compliance with duty to promote the success of the Group

This section of the report describes how the Directors has had regard to matters set out in Section 172 (1) (a) to (f) and forms the Directors' statement required under Section 414CZA of the Companies Act 2006. The Directors are required to act in a way to promote the success of the Group for the benefits of its members as a whole and in doing so consider the following matters:

Long term decision making

The Directors consider that their commitment to long term decision making is set out throughout the rest of this strategic report.

Interest of Group employees

The Group has a small number of employees and a flat organisational structure which always allows immediate and direct access for all employees to senior management.

Business relationships with suppliers, customers, and others

The Group has strong links with its long term suppliers as well as its long term clients. The Group has a policy and practice of paying all suppliers within the agreed credit term period.

Impact on the environment

The Directors consider that the Group has an impact on environmental issues even as a small transportation company. It is working hard on carbobn reduction plans which are detailed in its Sustainability Report. It is the firm belief of the Board that smaller companies offering reliable services can provide the quickest route to the lowest environmental footprint.

Reputation for high standards of business conduct

It is the intention of the Board to behave responsibly and ensure that the business is operated in a responsible manner, within the high standards of business and regulatory conduct expected.

Fair treatment of shareholders

As a Board, our intention is to behave responsibly toward our shareholders, recognising that our obligation is to generate value for them whilst balancing the needs of our stakeholders.

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

R M Borchard
Director

Date: 29 March 2024

BORCHARD LINES LIMITED

DIRECTORS' REPORT FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2022

The directors present their report and the financial statements for the 9 month period ended 31 December 2022.

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 the Group and of the profit or loss of the Group for that period.

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

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

The principal activity of the Company continued to be that of door to door logistics.

Results and dividends

The profit for the 9 month period, after taxation, amounted to £21,553,462 (*12 months ended 2 April 2022 - £42,819,240*).

During the period, no dividends were declared or paid.

Directors

The directors who served during the 9 month period were:

D Borchard
R M Borchard
E A Brenden
L C H Brenden

DIRECTORS' REPORT (CONTINUED)
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2022

Future developments

The Directors continue to closely monitor the business risks and management information and have adopted caution in their business decisions. However, the Directors are confident in the future and intend to continue operations as normal.

Engagement with suppliers, customers and others

The Group has strong links with its long term suppliers as well as its long term clients. The Group has a policy and practice of paying all suppliers within the agreed credit term period.

Greenhouse gas emissions, energy consumption and energy efficiency action

The Group's greenhouse gas emissions and energy consumption for the 9 month period are summarised below.

The methodology used is based on common industry practice, as published by the Department for Business, Energy & Industrial Strategy.

Fuel	Fuel	Total kg Co2e per unit
Diesel	tonnes	3032.89
(average	litres	2.56
biofuel	kWh (Net CV)	0.26
blend)	kWh (Gross CV)	0.24

Annual quantity of UK emissions (including offshore) in tonnes of carbon dioxide equivalent resulting from activities for which the Company is responsible involving combustion of gas or the consumption of fuel for the purpose of transport.

Scope 1 emissions: The Group's UK transport fleet consumed 187,333 litres of fuel equating to a carbon dioxide equivalent of 502tCO₂e utilising the recognised methodology (UK Government CHG Conversions Factors). The Group endeavours to reduce this and other emissions through the use of alternate fuels, some of which have been in trial. The intensity ratio utilised by leading companies in this industry is tonnes of carbon emitted per £m turnover. On this basis the ratio is 563.

Annual quantity of emissions in tonnes of carbon dioxide equivalent (including offshore) resulting from the purchase of electricity by the Company for its own use, including for the purposes of transport.

Scope 2 emissions: The Group's electricity use during the year was 61mWh, all of which was from renewable sources.

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 and the Group'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 and the Group's auditors are aware of that information.

Post balance sheet events

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

BORCHARD LINES LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2022**

Auditors

Under section 487(2) of the Companies Act 2006, BKL Audit LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

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

R M Borchard
Director

Date: 29 March 2024

L C H Brenden
Director

Date: 29 March 2024

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BORCHARD LINES LIMITED

Opinion

We have audited the financial statements of Borchard Lines Limited (the 'parent Company') and its subsidiaries (the 'Group') for the 9 month period ended 31 December 2022, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity, the Company 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 Group's and of the parent Company's affairs as at 31 December 2022 and of the Group's profit for the 9 month period 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 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 Group's or the parent 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 BORCHARD LINES 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 Group Strategic Report and the Directors' Report for the financial 9 month period for which the financial statements are prepared is consistent with the financial statements; and
- the Group 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 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 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 by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 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 directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BORCHARD LINES 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 Group 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:

- Enquiring of management and those charged with governance around actual and potential litigation and claims;
- Enquiring of staff to identify any instances of non-compliance with laws and regulations;
- Reviewing the general ledger in detail for all transactions with related parties;
- Performing walkthrough testing to ensure systems and controls are operating as recorded where appropriate;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' Report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' Report. However, future events or conditions may cause the Company to cease to continue as a going concern.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BORCHARD LINES LIMITED (CONTINUED)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

Geeta Morgan FCA (Senior Statutory Auditor)

for and on behalf of

BKL Audit LLP

Chartered Accountants

Statutory Auditor

London

29 March 2024

BORCHARD LINES LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2022**

		9 months ended 31 December 2022 £	<i>As restated 12 months ended 2 April 2022 £</i>
	Note		
Turnover	4	146,556,137	168,315,265
Cost of sales		(109,739,533)	(125,265,876)
Gross profit		36,816,604	43,049,389
Administrative expenses		(15,548,617)	(5,709,336)
Other operating income	5	259,843	4,452,447
Operating profit	6	21,527,830	41,792,500
Interest receivable and similar income	10	218,727	388
Interest payable and similar expenses	11	(180,186)	(229,618)
Fair value gains		(1,409)	-
Profit before tax		21,564,962	41,563,270
Tax on profit	12	(11,500)	1,255,970
Profit for the financial 9 month period / year		21,553,462	42,819,240
Profit for the year attributable to:			
Owners of the parent company		(21,553,462)	(42,819,240)

There was no other comprehensive income for the 9 month period ended 31 December 2022 (12 months ended 2 April 2022: £Nil).

The notes on pages 19 to 39 form part of these financial statements.

BORCHARD LINES LIMITED
REGISTERED NUMBER: 00517224

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

		31 December 2022	As restated 2 April 2022
	Note	£	£
Fixed assets			
Intangible assets	13	2,700,000	51,667
Tangible assets	14	14,737,689	11,668,578
Investments	15	37	37
		<u>17,437,726</u>	<u>11,720,282</u>
Current assets			
Debtors: amounts falling due after more than one year	16	4,066,034	3,404,835
Debtors: amounts falling due within one year	16	18,339,819	29,092,724
Current asset investments		16,721,130	-
Cash at bank and in hand	17	60,739,027	36,219,952
		<u>99,866,010</u>	<u>68,717,511</u>
Creditors: amounts falling due within one year	18	(18,912,234)	(11,800,858)
Net current assets		<u>80,953,776</u>	<u>56,916,653</u>
Total assets less current liabilities		<u>98,391,502</u>	<u>68,636,935</u>
Creditors: amounts falling due after more than one year	19	(12,243,580)	(5,438,381)
Net assets		<u><u>86,147,922</u></u>	<u><u>63,198,554</u></u>
Capital and reserves			
Called up share capital	21	17,700,000	17,700,000
Other reserves	22	1,395,906	-
Profit and loss account	22	67,052,016	45,498,554
		<u><u>86,147,922</u></u>	<u><u>63,198,554</u></u>

BORCHARD LINES LIMITED
REGISTERED NUMBER: 00517224

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2022

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

L C H Brenden
Director

R M Borchard
Director

Date: 29 March 2024

Date: 29 March 2024

The notes on pages 19 to 39 form part of these financial statements.

BORCHARD LINES LIMITED
REGISTERED NUMBER: 00517224

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

		31 December 2022	As restated 2 April 2022
	Note	£	£
Fixed assets			
Intangible assets	13	2,700,000	51,667
Tangible assets	14	14,721,213	11,640,993
Investments	15	1,810,535	1,810,535
		<u>19,231,748</u>	<u>13,503,195</u>
Current assets			
Debtors: amounts falling due after more than one year	16	4,066,034	3,404,835
Debtors: amounts falling due within one year	16	13,844,592	25,071,750
Current asset investments		16,721,130	-
Cash at bank and in hand	17	60,705,206	36,173,293
		<u>95,336,962</u>	<u>64,649,878</u>
Creditors: amounts falling due within one year	18	(18,652,996)	(9,507,445)
Net current assets		<u>76,683,966</u>	<u>55,142,433</u>
Total assets less current liabilities		<u>95,915,714</u>	<u>68,645,628</u>
Creditors: amounts falling due after more than one year	19	(12,243,580)	(5,438,381)
Net assets excluding pension asset		<u>83,672,134</u>	<u>63,207,247</u>
Net assets		<u><u>83,672,134</u></u>	<u><u>63,207,247</u></u>
Capital and reserves			
Called up share capital	21	17,700,000	17,700,000
Other reserves	22	1,395,906	-
Profit and loss account brought forward		45,507,247	15,006,000
Profit for the 9 month period		19,068,981	30,501,247
Profit and loss account carried forward		64,576,228	45,507,247
		<u><u>83,672,134</u></u>	<u><u>63,207,247</u></u>

BORCHARD LINES LIMITED
REGISTERED NUMBER: 00517224

COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2022

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

L C H Brenden
Director

R M Borchard
Director

Date: 29 March 2024

Date: 29 March 2024

The notes on pages 19 to 39 form part of these financial statements.

BORCHARD LINES LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2022**

	Called up share capital £	Other reserves £	Profit and loss account £	Equity attributable to owners of parent Company £	Total equity £
At 3 April 2021 (as previously stated)	17,700,000	-	15,900,796	33,600,796	33,600,796
Prior year adjustment	-	-	13,221,482	13,221,482	13,221,482
)))
At 3 April 2021 (as restated)	17,700,000	-	2,679,314	20,379,314	20,379,314
Profit for the year	-	-	42,819,240	42,819,240	42,819,240
At 3 April 2022 (as previously stated)	17,700,000	-	49,515,801	67,215,801	67,215,801
Prior year adjustment	-	-	(4,017,247)	(4,017,247)	(4,017,247)
At 3 April 2022 (as restated)	17,700,000	-	45,498,554	63,198,554	63,198,554
Comprehensive income for the 9 month period					
Profit for the 9 month period	-	-	21,553,462	21,553,462	21,553,462
Other equity reserves	-	1,395,906	-	1,395,906	1,395,906
At 31 December 2022	<u>17,700,000</u>	<u>1,395,906</u>	<u>67,052,016</u>	<u>86,147,922</u>	<u>86,147,922</u>

The notes on pages 19 to 39 form part of these financial statements.

BORCHARD LINES LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2022**

	Called up share capital £	Other reserves £	Profit and loss account £	Total equity £
At 3 April 2021 (as previously stated)	17,700,000	-	28,227,482	45,927,482
Prior year adjustment	-	-	13,221,482	13,221,482
))
At 3 April 2021 (as restated)	17,700,000	-	15,006,000	32,706,000
Comprehensive income for the year				
Profit for the year	-	-	30,501,247	30,501,247
At 3 April 2022 (as previously stated)	17,700,000	-	50,127,640	67,827,640
Prior year adjustment	-	-	(4,620,393)	(4,620,393)
))
At 3 April 2022 (as restated)	17,700,000	-	45,507,247	63,207,247
Comprehensive income for the year				
Profit for the 9 month period	-	-	19,068,981	19,068,981
Other equity reserve	-	1,395,906	-	1,395,906
At 31 December 2022	17,700,000	1,395,906	64,576,228	83,672,134

The notes on pages 19 to 39 form part of these financial statements.

BORCHARD LINES LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2022**

	9 months ended 31 December 2022 £	<i>As restated 12 months ended 2 April 2022 £</i>
Cash flows from operating activities		
Profit for the financial 9 month period	21,553,462	42,819,240
Adjustments for:		
Amortisation of intangible assets	284,544	620,000
Depreciation of tangible assets	879,823	1,270,341
Impairments of intangible assets	11,233,790	-
Loss on disposal of tangible assets	15,003	1,938,484
Interest paid	180,186	131,000
Interest received	(218,727)	(388)
Taxation charge	11,500	15,254
Decrease/(increase) in debtors	6,403,968	(14,826,844)
(Decrease)/increase in creditors	(2,050,035)	1,602,498
Foreign exchange	1,409	-
Corporation tax (paid)/received	(15,254)	-
Foreign exchange	2,391,313	(361,577)
Net cash generated from operating activities	40,670,982	33,208,008
Cash flows from investing activities		
Purchase of intangible fixed assets	(14,166,667)	-
Purchase of tangible fixed assets	(4,018,623)	(3,592,047)
Sale of tangible fixed assets	54,686	6,422,063
Purchase of short-term listed investments	(17,220,990)	-
Interest received	218,727	(388)
Loans to connected parties received	3,644,479	460,837
New loans given to unconnected parties	(661,199)	-
New loans from connected parties	13,548,556	1,908,397
New loans given to connected parties	-	(7,506,823)
Net cash from investing activities	(18,601,031)	(2,307,961)

BORCHARD LINES LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2022

	9 months ended 31 December 2022 £	<i>As restated 12 months ended 2 April 2022 £</i>
Cash flows from financing activities		
Repayment of other loans	-	(646,347)
Repayment of/new finance leases	(1,379,023)	(1,290,719)
Interest paid	(180,186)	(131,000)
New Leases	4,008,333	3,549,160
Net cash used in financing activities	2,449,124	1,481,094
Net increase in cash and cash equivalents	24,519,075	32,381,141
Cash and cash equivalents at beginning of 9 month period	36,219,952	3,838,811
Cash and cash equivalents at the end of 9 month period	<u>60,739,027</u>	<u>36,219,952</u>
Cash and cash equivalents at the end of 9 month period comprise:		
Cash at bank and in hand	60,739,027	36,219,952
	<u>60,739,027</u>	<u>36,219,952</u>

The notes on pages 19 to 39 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2022**

1. General information

The Company is a private company limited by shares and is incorporated in England and Wales

The address for the principle place of business is 5th Floor Bevis Marks House, 24 Bevis Marks, London, United Kingdom, EC3A 7JB.

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 Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 Going concern

The financial statements have been prepared on the going concern basis, which assumes that the Company and the Group will continue to trade for the foreseeable future, being a period of at least twelve months from the date of approval of these financial statements, and will be able to meet its debts as they fall due.

The directors have reviewed forecasts and budgets and are confident of the Company's and the Group's ability to continue trading as a going concern for the foreseeable future. The Company keeps its voyage projections under constant review to ensure that no further action or changes are required to the business in order for it to continue as a going concern. Based on the results to date and future projections, the directors are confident that the Company and the Group will continue to meet its liabilities as they fall due. As a result, the directors have prepared the financial statements on a going concern basis.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.4 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 Consolidated 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'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group 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 for completed voyages is recognised when the risks and rewards of ownership are transferred. This occurs when the goods have been delivered.

Revenue for voyages that straddle the financial year-end is recognised on a time apportionment basis over the length of the voyage.

Revenue is recognised on a time apportionment basis over the length of the voyage.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.6 Operating leases: the Group as lessee

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.7 Leased assets: the Group 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.

2.8 Interest income

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

2.9 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.

2.10 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group 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 Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

2.11 Taxation

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 reporting date in the countries where the Company and the Group operate and generate income.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.12 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Other intangible fixed assets	-	3	years
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2.13 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.

Depreciation is provided on the following basis:

Long-term leasehold property	- over the lease term
Containers	- 5% Straight line
Motor vehicles	- 25% Reducing balance
Fixtures and fittings	- 20% Straight line
Computer equipment	- 20% 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 9 MONTH PERIOD ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)**2.14 Impairment of fixed assets and goodwill**

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.15 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured to market value at each reporting date. Gains and losses on remeasurement are recognised in the Consolidated Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each reporting date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.16 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 Consolidated 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 Group's cash management.

2.17 Financial instruments

The Company only enters into basic financial instruments and 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 and from related parties and investments in non-puttable ordinary shares.

(i) Financial assets

Basic financial assets, including trade and other debtors, and amounts due from related companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.17 Financial instruments (continued)

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including trade and other creditors and accruals, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(iii) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

BORCHARD LINES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2022**

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

The key assumptions about the future, and other key sources of estimation uncertainty at the reporting period end that may have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below:

Valuation of trade debtors

The Directors recognise trade debtors net of provisions for any irrecoverable amounts. The recoverable amounts are considered to be those debts recovered post year-end and provisions are recognised for all debts outstanding at the date of the financial statements, that are past their due date.

Accrued income and expenses

The Directors recognise accrued income and expenses on incomplete voyages are estimated based on a time apportionment basis using the length of voyages. The Directors believe this is a reliable method of calculating income and expenses on voyages that straddle the financial year-end date.

Vessel bunker usage

The Directors allocate vessel bunker costs based on estimated fuel consumption for each voyage. Any fuel that has been delivered during the financial year and unallocated to a voyage, is included within prepayments.

Intangible assets - useful economic life & recoverable value

Useful economic life of the intangible assets were assessed using forecasted profits for a period of three years. Additionally, the Directors estimated the recoverable value to be the expected future economic benefits generated by these intangible assets.

4. Turnover

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

	9 months ended 31 December 2022 £	<i>As restated 12 months ended 2 April 2022 £</i>
Door to door logistics	<u>146,556,137</u>	<i><u>168,315,265</u></i>

Analysis of turnover by country of destination:

	9 months ended 31 December 2022 £	<i>As restated 12 months ended 2 April 2022 £</i>
United Kingdom	<u>146,556,137</u>	<i><u>168,315,265</u></i>

BORCHARD LINES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2022**

5. Other operating income

	9 months ended 31 December 2022 £	<i>As restated 12 months ended 2 April 2022 £</i>
Other operating income	<u>259,843</u>	<u><i>4,452,447</i></u>

6. Operating profit

The operating profit is stated after charging:

	9 months ended 31 December 2022 £	<i>As restated 12 months ended 2 April 2022 £</i>
Depreciation	879,823	<i>1,270,341</i>
Exchange differences	2,850,020	<i>(361,577)</i>
Amortisation	284,544	<i>620,000</i>
Defined contribution pension cost	<u>119,579</u>	<u><i>151,555</i></u>

7. Auditors' remuneration

During the 9 month period, the Group obtained the following services from the Company's auditors and their associates:

	9 months ended 31 December 2022 £	<i>12 months ended 2 April 2022 £</i>
Fees payable to the Company's auditors and their associates for the audit of the consolidated and parent Company's financial statements	80,000	<i>28,488</i>
Fees payable to the Company's auditors and their associates in connection with the Group's pension scheme(s) in respect of:		
The auditing of accounts of the scheme(s)	<u>31,250</u>	<u><i>18,025</i></u>

BORCHARD LINES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2022**

8. Employees

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

	Group 31 December 2022 £	<i>Group</i> <i>2 April</i> <i>2022</i> <i>£</i>	Company 31 December 2022 £	<i>Company</i> <i>2 April</i> <i>2022</i> <i>£</i>
Wages and salaries	2,486,712	3,133,126	1,700,616	3,133,126
Social security costs	318,370	305,449	222,406	305,449
Cost of defined contribution scheme	119,579	151,555	96,123	151,555
	<u>2,924,661</u>	<u>3,590,130</u>	<u>2,019,145</u>	<u>3,590,130</u>

The average monthly number of employees, including the directors, during the 9 month period was as follows:

	Group 9 months ended 31 December 2022 No.	<i>Group</i> <i>12 months</i> <i>ended</i> <i>2 April</i> <i>2022</i> <i>No.</i>	Company 9 months ended 31 December 2022 No.	<i>Company</i> <i>12 months</i> <i>ended</i> <i>2 April</i> <i>2022</i> <i>No.</i>
Office and management	47	47	33	33
Logistics and distribution	14	14	-	-
	<u>61</u>	<u>61</u>	<u>33</u>	<u>33</u>

9. Directors' remuneration

	9 months ended 31 December 2022 £	<i>12 months</i> <i>ended</i> <i>2 April</i> <i>2022</i> <i>£</i>
Directors' emoluments	<u>319,287</u>	<u>324,560</u>

The highest paid director received remuneration of £153,568 (2022 - £159,170).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £4,781 (2022 - £3,931).

BORCHARD LINES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2022**

10. Interest receivable

	9 months ended 31 December 2022 £	<i>12 months ended 2 April 2022 £</i>
Bank and other interest receivable	<u>218,727</u>	<u>388</u>

11. Interest payable and similar expenses

	9 months ended 31 December 2022 £	<i>12 months ended 2 April 2022 £</i>
Other interest payable	<u>180,186</u>	<u>229,618</u>

BORCHARD LINES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2022**

12. Taxation

	9 months ended 31 December 2022 £	<i>12 months ended 2 April 2022 £</i>
Corporation tax		
Tonnage tax	11,500	15,254
	<u>11,500</u>	<u>15,254</u>
Total current tax	<u>11,500</u>	<u>15,254</u>
Deferred tax		
Origination and reversal of timing differences	-	(1,271,224)
	<u>-</u>	<u>(1,271,224)</u>
Total deferred tax	<u>-</u>	<u>(1,271,224)</u>
Tax on profit	<u>11,500</u>	<u>(1,255,970)</u>

Factors affecting tax charge for the 9 month period/year

The Company is subject to the tonnage tax regime from April 2021.

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

BORCHARD LINES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2022**

13. Intangible assets**Group and Company**

	Right of use £
Cost	
At 3 April 2022	3,100,000
Additions	14,166,667
	<hr/>
At 31 December 2022	17,266,667
	<hr/>
Amortisation	
At 3 April 2022	3,048,333
Charge for the 9 month period on owned assets	284,544
Impairment charge	11,233,790
	<hr/>
At 31 December 2022	14,566,667
	<hr/>
Net book value	
At 31 December 2022	<u>2,700,000</u>
At 2 April 2022	<u>51,667</u>

The intangible assets comprise of right of use assets with a remaining amortisation period of three years.

BORCHARD LINES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2022**

14. Tangible fixed assets

Group

	Long-term leasehold property £	Containers £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation						
At 3 April 2022	175,321	22,086,652	283,644	1,170,037	55,637	23,771,291
Additions	-	4,008,333	-	10,290	-	4,018,623
Disposals	-	(545,558)	-	(1,070,587)	-	(1,616,145)
At 31 December 2022	175,321	25,549,427	283,644	109,740	55,637	26,173,769
Depreciation						
At 3 April 2022	175,321	10,678,296	84,031	1,116,897	48,168	12,102,713
Charge for the 9 month period on owned assets	-	825,306	37,490	9,558	7,469	879,823
Disposals	-	(475,869)	-	(1,070,587)	-	(1,546,456)
At 31 December 2022	175,321	11,027,733	121,521	55,868	55,637	11,436,080
Net book value						
At 31 December 2022	-	14,521,694	162,123	53,872	-	14,737,689
At 2 April 2022	-	11,408,356	199,613	53,140	7,469	11,668,578

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

	31 December 2022 £	<i>2 April 2022 £</i>
Containers	<u>14,521,694</u>	<u>11,408,356</u>

BORCHARD LINES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2022**

14. Tangible fixed assets (continued)

Company

	Long-term leasehold property	Containers	Motor vehicles	Fixtures and fittings	Total
	£	£	£	£	£
Cost or valuation					
At 3 April 2022	175,321	22,086,652	283,644	1,127,300	23,672,917
Additions	-	4,008,333	-	10,290	4,018,623
Disposals	-	(545,558)	-	(1,070,587)	(1,616,145)
At 31 December 2022	175,321	25,549,427	283,644	67,003	26,075,395
Depreciation					
At 3 April 2022	175,321	10,678,296	84,031	1,094,276	12,031,924
Charge for the 9 month period on owned assets	-	825,306	37,490	5,918	868,714
Disposals	-	(475,869)	-	(1,070,587)	(1,546,456)
At 31 December 2022	175,321	11,027,733	121,521	29,607	11,354,182
Net book value					
At 31 December 2022	-	14,521,694	162,123	37,396	14,721,213
At 2 April 2022	-	11,408,356	199,613	33,024	11,640,993

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

	31 December 2022 £	2 April 2022 £
Containers	14,521,694	11,408,356

BORCHARD LINES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2022**

15. Fixed asset investments

Group

	Listed investments £
Cost or valuation	
At 3 April 2022	37
At 31 December 2022	<u>37</u>

Company

	Investments in subsidiary companies £	Listed investments £	Total £
Cost or valuation			
At 3 April 2022	1,810,498	37	1,810,535
At 31 December 2022	<u>1,810,498</u>	<u>37</u>	<u>1,810,535</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Gracechurch Container Line Limited	5th Floor Bevis Marks House, 24 Bevis Marks, London, EC3A 7JB	Ordinary	100 %
Borchard Container Transport Limited	5th Floor Bevis Marks House, 24 Bevis Marks, London, EC3A 7JB	Ordinary	100 %

BORCHARD LINES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2022**

16. Debtors

	Group 31 December 2022 £	<i>Group</i> <i>2 April</i> <i>2022</i> <i>£</i>	Company 31 December 2022 £	<i>Company</i> <i>2 April</i> <i>2022</i> <i>£</i>
Due after more than one year				
Other debtors	<u>4,066,034</u>	<u>3,404,835</u>	<u>4,066,034</u>	<u>3,404,835</u>
	Group 31 December 2022 £	<i>Group</i> <i>2 April</i> <i>2022</i> <i>£</i>	Company 31 December 2022 £	<i>Company</i> <i>2 April</i> <i>2022</i> <i>£</i>
Due within one year				
Trade debtors	6,421,807	10,403,652	6,085,147	9,863,042
Amounts owed by group undertakings	-	-	-	808,981
Other debtors	3,362,292	7,753,670	3,358,194	7,750,368
Prepayments and accrued income	8,555,720	10,935,402	4,401,251	6,649,359
	<u>18,339,819</u>	<u>29,092,724</u>	<u>13,844,592</u>	<u>25,071,750</u>

Amounts owed by group undertakings are unsecured, interest free and are repayable on demand.

17. Cash and cash equivalents

	Group 31 December 2022 £	<i>Group</i> <i>2 April</i> <i>2022</i> <i>£</i>	Company 31 December 2022 £	<i>Company</i> <i>2 April</i> <i>2022</i> <i>£</i>
Cash at bank and in hand	<u>60,739,027</u>	<u>36,219,952</u>	<u>60,705,206</u>	<u>36,173,293</u>

BORCHARD LINES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2022**

18. Creditors: Amounts falling due within one year

	Group	<i>Group</i>	Company	<i>Company</i>
	31 December	<i>2 April</i>	31 December	<i>2 April</i>
	2022	<i>2022</i>	2022	<i>2022</i>
	£	<i>£</i>	£	<i>£</i>
Trade creditors	2,065,621	4,485,032	1,767,216	4,104,179
Amounts owed to group undertakings	-	-	2,259,768	6,791
Corporation tax	11,500	15,254	11,500	15,254
Other taxation and social security	178,926	85,636	160,045	72,880
Obligations under finance lease and hire purchase contracts	2,010,348	1,132,328	2,010,348	1,132,328
Other creditors	8,911,590	609,869	8,301,721	-
Accruals and deferred income	5,734,249	5,472,739	4,142,398	4,176,013
	<u>18,912,234</u>	<i><u>11,800,858</u></i>	<u>18,652,996</u>	<i><u>9,507,445</u></i>

Amounts owed to group undertakings are unsecured, interest free and are repayable on demand.

BORCHARD LINES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2022**

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

	Group 31 December 2022 £	<i>Group</i> <i>2 April</i> <i>2022</i> £	Company 31 December 2022 £	<i>Company</i> <i>2 April</i> <i>2022</i> £
Net obligations under finance leases and hire purchase contracts	5,722,820	3,529,984	5,722,820	3,529,984
Other creditors	6,520,760	1,908,397	6,520,760	1,908,397
	<u>12,243,580</u>	<u>5,438,381</u>	<u>12,243,580</u>	<u>5,438,381</u>

The aggregate amount of liabilities repayable wholly or in part more than five years after the reporting date is:

	Group 31 December 2022 £	<i>Group</i> <i>2 April</i> <i>2022</i> £	Company 31 December 2022 £	<i>Company</i> <i>2 April</i> <i>2022</i> £
Repayable by instalments	5,270,761	-	5,270,761	-
	<u>5,270,761</u>	<u>-</u>	<u>5,270,761</u>	<u>-</u>

Amounts included within other creditors due after more than one year of \$8,000,000 are payable to a company with common control. This balance is repayable within 8 years, is interest free and is accounted for at amortised cost using an appropriate effective rate of interest.

20. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 31 December 2022 £	<i>Group</i> <i>2 April</i> <i>2022</i> £	Company 31 December 2022 £	<i>Company</i> <i>2 April</i> <i>2022</i> £
Within one year	17,892,721	18,246,922	4,944,122	6,871,519
Between 1-5 years	9,062,264	15,597,611	4,344,240	6,886,203
Over 5 years	1,949,249	2,403,138	1,949,249	2,403,138
	<u>28,904,234</u>	<u>36,247,671</u>	<u>11,237,611</u>	<u>16,160,860</u>

BORCHARD LINES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2022**

21. Share capital

	31 December 2022 £	2 April 2022 £
Allotted, called up and fully paid		
500,000 (2022 - 500,000) Ordinary shares of £1 each shares of £1.00 each	500,000	500,000
17,200,000 (2022 - 17,200,000) Redeemable preference share capital shares of £1.00 each	17,200,000	17,200,000
	<hr/> 17,700,000 <hr/>	<hr/> 17,700,000 <hr/>

22. Reserves**Other reserves**

The other reserves, represents the deemed interest attributable to the interest free loan held at amortised cost obtained from a related party.

Profit and loss account

The profit and loss account, represents the Group's cumulative profits net of dividends. This reserve is distributable.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2022**

23. Prior year adjustment

The comparative information in these financial statements has been restated from the figures previously reported in the prior year financial statements as follows:

A prior year restatement was necessary to reverse a revaluation uplift of £4,000,000 from tangible fixed assets to retained earnings. This adjustment resulted in a decrease in tangible fixed assets previously reported of £4,000,000 and a decrease in retained earnings of the same amount. Net assets previously reported at 2 April 2022 decreased by £4,000,000 and retained earnings for the year ended 2 April 2022 increased by the same amount.

A second prior year restatement was necessary to align the tangible fixed assets position. This adjustment resulted in a decrease in tangible fixed assets previously reported of £890,000 and a decrease in profit of the same amount. Net assets previously reported at 2 April 2022 decreased by £890,000 and profit for the year ended 2 April 2022 increased by the same amount.

A third prior year restatement was necessary to align the hire purchase liability position. This adjustment resulted in a decrease in creditors previously reported of £897,375 and an increase in profit of the same amount. Net assets previously reported at 2 April 2022 increased by £897,375 and profit for the year ended 2 April 2022 increased by the same amount.

A fourth prior year restatement was necessary to reclassify rent receivable of £603,146 from creditors to turnover. This adjustment resulted in a decrease in creditors previously reported of £603,146 and an increase in turnover of the same amount. Net assets previously reported at 2 April 2022 increased by £603,146 and profit for the year ended 2 April 2022 increased by the same amount.

A fifth prior year restatement was necessary to release accrued income. This adjustment resulted in a decrease in trade debtors previously reported of £627,626 and a decrease in turnover of the same amount. Net assets previously reported at 2 April 2022 increase by £627,626 and profit for the year ended 2 April 2022 decreased by the same amount.

A sixth prior year restatement was necessary to reclassify management fees receivable of £2,782,447 from turnover to other operating income. This adjustment resulted in a decrease in turnover previously reported of £2,787,447 and an increase in other operating income of the same amount. Net assets previously reported at 2 April 2022 increased by £603,146 and profit for the year ended 2 April 2022 increased by the same amount. This adjustment had no impact on net assets or profit for the year.

A seventh prior year restatement was necessary to reclassify prepaid vessel costs of £4,351,739 from trade debtors to prepayments. This adjustment resulted in a decrease in trade debtors previously reported of £4,351,739 and an increase in prepayments of the same amount. This adjustment had no impact on net assets or profit for the year.

A eighth prior year restatement was necessary to reclassify accrued income of £5,421,804 from trade debtors to prepayments. This adjustment resulted in a decrease in trade debtors previously reported of £5,421,804 and an increase in prepayments of the same amount. This adjustment had no impact on net assets or profit for the year.

A ninth prior year restatement was necessary to reclassify accrued expenses of £2,328,558 from trade debtors to accruals. This adjustment resulted in an increase in trade debtors previously reported of £2,328,558 and an increase in accruals of the same amount. This adjustment had no impact on net assets or profit for the year.

Overall, there was a decrease in net assets previously reported of £4,111,025 and a decrease in profit of £123,966.

BORCHARD LINES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2022

24. Pension commitments

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. Contributions totalling £10,455 (*April 2022: £nil*) were payable to the fund at the reporting date and are included in creditors.

25. Related party transactions

The Group has taken advantage of the exemption in FRS 102 Section 33, "Related Party Disclosures", not to disclose details of transactions with companies in the group that are 100% owned subsidiaries or parents.

Included within debtors is an amount of £2,944,104 (*April 2022: £4,501,807*) due from companies under common control.

During the year, the group charged management fees totalling £259,843 (*April 2022: £4,452,447*) to a company under common control.

During the period, the Company entered into an agreement of \$17,000,000 with a company with common control. The \$17,000,000 is payable within 9 years, is interest free and is accounted for at amortised cost using an appropriate effective rate of interest.

26. Controlling party

The ultimate parent company and controlling party is Borlines Limited, a company incorporated in Bermuda.

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.