

Company registration number 01950782 (England and Wales)

JAKTO TRANSPORT LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2022

JAKTO TRANSPORT LIMITED

COMPANY INFORMATION

| | | |
|--------------------------|--|-----------------------------|
| Directors | Mr N A Hellewell Mr A Hellewell Mr C McLackland | (Appointed 2 February 2023) |
| Company number | 01950782 | |
| Registered office | Oaks Lane Stairfoot Barnsley South Yorkshire S71 1HT | |
| Auditor | GBAC Limited Old Linen Court 83-85 Shambles Street Barnsley South Yorkshire S70 2SB | |
| Bankers | Virgin Money UK 1A Peel Square Barnsley S70 2PL | |

JAKTO TRANSPORT LIMITED

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JAKTO TRANSPORT LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 NOVEMBER 2022

The directors present the strategic report and financial statements for the year ended 30 November 2022.

Review of the business

Turnover has increased this year by 31.1% to £15,300,528. The directors consider the profit on ordinary activities before taxation to be satisfactory.

Principal risks and uncertainties

Risk Management

The company's financial instruments comprise bank balances, trade creditors, trade debtors and HP finance. The main purpose of these instruments is to raise funds and finance the company operations. The company keeps its exposure risk to a minimum by negotiating HP finance facilities on a regular basis. In respect of bank balances, the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through use of the bank overdraft.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits. Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Key performance indicators

The key financial highlights are as follows:-

| | 2022 | 2021 | 2020 | 2019 |
|-------------------------------|------------|------------|------------|------------|
| | £ | £ | £ | £ |
| Turnover | 15,300,528 | 11,668,852 | 10,647,023 | 14,607,489 |
| Turnover growth (percent) | 31.1 | 9.6 | (27.1) | (13.4) |
| Gross profit margin (percent) | 46.93 | 41.03 | 31.40 | 28.70 |
| Profit/(loss) before tax | 3,189,069 | 918,915 | (547,186) | 36,093 |

On behalf of the board

Mr A Hellewell
Director

25 July 2023

JAKTO TRANSPORT LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 NOVEMBER 2022

The directors present their annual report and financial statements for the year ended 30 November 2022.

Principal activities

The principal activity of the company continued to be that of haulage contractors, site clearance and excavation.

Results and dividends

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

The profit for the year after taxation was £2,413,272.

Directors

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

Mr N A Hellewell

Mr A Hellewell

Mr P J Booth

Mr C McLackland

(Resigned 25 November 2022)

(Appointed 2 February 2023)

Auditor

In accordance with the company's articles, a resolution proposing that GBAC Limited be reappointed as auditor of the company will be put at a General Meeting.

Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

Mr A Hellewell

Director

25 July 2023

JAKTO TRANSPORT LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 NOVEMBER 2022

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

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

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

JAKTO TRANSPORT LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF JAKTO TRANSPORT LIMITED

Opinion

We have audited the financial statements of Jakto Transport Limited (the 'company') for the year ended 30 November 2022 which comprise the income statement, the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 November 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The 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.

Opinions on other matters prescribed by the Companies Act 2006

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

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

JAKTO TRANSPORT LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF JAKTO TRANSPORT LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

We obtained an understanding of the company and the sector in which it operates to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, application of cumulative audit knowledge and experience of the sector.

We determined the principal laws and regulations relevant to the company in this regard to be those arising from the Companies Act 2006, Local tax laws and regulations, Anti Money Laundering Legislation and Bribery Act 2010.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, including the potential for management bias identified in relation to the provisions and estimates and and we addressed this by challenging the assumptions and judgements made by management when auditing that significant accounting estimate.

As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

<https://www.frc.org.uk/auditors/audit-assurance-ethics/auditors-responsibilities-for-the-audit>. This description forms part of our auditors' report.

JAKTO TRANSPORT LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBER OF JAKTO TRANSPORT LIMITED

Use of our report

This report is made solely to the company's member 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 member those matters we are required to state to the member 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 member, for our audit work, for this report, or for the opinions we have formed.

Victoria Jane Davies (Senior Statutory Auditor)
For and on behalf of GBAC Limited

25 July 2023

Statutory Auditor

Old Linen Court
83-85 Shambles Street
Barnsley
South Yorkshire
S70 2SB

JAKTO TRANSPORT LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 30 NOVEMBER 2022

| | Notes | 2022 £ | 2021 £ |
|--------------------------------------|----------|------------------|------------------|
| Revenue | 3 | 15,300,528 | 11,668,852 |
| Cost of sales | | (8,119,988) | (6,881,622) |
| Gross profit | | 7,180,540 | 4,787,230 |
| Administrative expenses | | (3,934,300) | (3,866,886) |
| Other operating income | | 4,167 | 32,866 |
| Operating profit | 4 | 3,250,407 | 953,210 |
| Investment income | 7 | - | 465 |
| Finance costs | 8 | (61,338) | (34,760) |
| Profit before taxation | | 3,189,069 | 918,915 |
| Tax on profit | 9 | (775,797) | (104,712) |
| Profit for the financial year | | 2,413,272 | 814,203 |

The income statement has been prepared on the basis that all operations are continuing operations.

JAKTO TRANSPORT LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 NOVEMBER 2022

| | 2022 £ | 2021 £ |
|---|------------------|----------------|
| Profit for the year | 2,413,272 | 814,203 |
| Other comprehensive income | - | - |
| Total comprehensive income for the year | <u>2,413,272</u> | <u>814,203</u> |

JAKTO TRANSPORT LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 30 NOVEMBER 2022

| | | 2022 | 2021 |
|--|-------|-------------|-------------|
| | Notes | £ | £ |
| Fixed assets | | | |
| Property, plant and equipment | 11 | 4,399,369 | 4,027,112 |
| Current assets | | | |
| Inventories | 12 | 16,062 | 13,066 |
| Trade and other receivables | 14 | 2,138,752 | 3,259,550 |
| Cash and cash equivalents | | 584,359 | - |
| | | 2,739,173 | 3,272,616 |
| Current liabilities | 15 | (1,930,394) | (2,627,671) |
| Net current assets | | 808,779 | 644,945 |
| Total assets less current liabilities | | 5,208,148 | 4,672,057 |
| Non-current liabilities | 16 | (1,187,495) | (939,340) |
| Provisions for liabilities | 19 | (1,118,003) | (713,339) |
| Net assets | | 2,902,650 | 3,019,378 |
| Equity | | | |
| Called up share capital | 22 | 100 | 100 |
| Retained earnings | | 2,902,550 | 3,019,278 |
| Total equity | | 2,902,650 | 3,019,378 |

The financial statements were approved by the board of directors and authorised for issue on 25 July 2023 and are signed on its behalf by:

Mr A Hellewell
Director

Company Registration No. 01950782

JAKTO TRANSPORT LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 NOVEMBER 2022

| | Notes | Share capital £ | Retained earnings £ | Total £ |
|--|-------|--------------------|---------------------------|-------------|
| Balance at 1 December 2020 | | 100 | 3,588,449 | 3,588,549 |
| Year ended 30 November 2021: | | | | |
| Profit and total comprehensive income for the year | | - | 814,203 | 814,203 |
| Dividends | 10 | - | (1,383,374) | (1,383,374) |
| Balance at 30 November 2021 | | 100 | 3,019,278 | 3,019,378 |
| Year ended 30 November 2022: | | | | |
| Profit and total comprehensive income for the year | | - | 2,413,272 | 2,413,272 |
| Dividends | 10 | - | (2,530,000) | (2,530,000) |
| Balance at 30 November 2022 | | 100 | 2,902,550 | 2,902,650 |

JAKTO TRANSPORT LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 NOVEMBER 2022

| | | 2022 | | 2021 | |
|---|-------|-----------------------|---|-------------------------|---|
| | Notes | £ | £ | £ | £ |
| Cash flows from operating activities | | | | | |
| Cash generated from operations | 26 | 3,858,677 | | 2,055,869 | |
| Interest paid | | (61,338) | | (34,760) | |
| Income taxes refunded/(paid) | | 31,187 | | (13,016) | |
| Net cash inflow from operating activities | | <u>3,828,526</u> | | <u>2,008,093</u> | |
| Investing activities | | | | | |
| Purchase of property, plant and equipment | | (136,117) | | (115,092) | |
| Proceeds on disposal of property, plant and equipment | | 398,000 | | 380,500 | |
| Interest received | | - | | 465 | |
| Net cash generated from investing activities | | <u>261,883</u> | | <u>265,873</u> | |
| Financing activities | | | | | |
| Repayment of bank loans | | (191,308) | | 95,918 | |
| Payment of finance leases obligations | | (672,776) | | (605,872) | |
| Dividends paid | | (2,530,000) | | (1,383,374) | |
| Net cash used in financing activities | | <u>(3,394,084)</u> | | <u>(1,893,328)</u> | |
| Net increase in cash and cash equivalents | | <u>696,325</u> | | <u>380,638</u> | |
| Cash and cash equivalents at beginning of year | | (111,966) | | (492,604) | |
| Cash and cash equivalents at end of year | | <u><u>584,359</u></u> | | <u><u>(111,966)</u></u> | |
| Relating to: | | | | | |
| Cash at bank and in hand | | 584,359 | | - | |
| Bank overdrafts included in creditors payable within one year | | - | | (111,966) | |
| | | <u><u>-</u></u> | | <u><u>(111,966)</u></u> | |

JAKTO TRANSPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 2022

1 Accounting policies

Company information

Jakto Transport Limited is a private company limited by shares incorporated in England and Wales. The registered office is Oaks Lane, Stairfoot, Barnsley, South Yorkshire, S71 1HT.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Jakto Group Limited. These consolidated financial statements are available from its registered office, Oaks Lane, Stairfoot, Barnsley, S71 1HT.

1.2 Going concern

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

1.3 Revenue

Revenue is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

JAKTO TRANSPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

1 Accounting policies

(Continued)

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

1.4 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

| | |
|--------------------------------|-----------------------------------|
| Plant and machinery | 10% and 15% reducing balance |
| Fixtures, fittings & equipment | 10%, 25% and 33% reducing balance |
| Motor vehicles | 25% reducing balance |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Impairment of non-current assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

Inventories held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

JAKTO TRANSPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

1 Accounting policies

(Continued)

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of inventories over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with 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.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

JAKTO TRANSPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

1 Accounting policies

(Continued)

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

JAKTO TRANSPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

1 Accounting policies

(Continued)

Deferred tax

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.11 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

The company provides a defined contribution pension scheme, the assets of which are held separately from those of the company in an independently administered fund. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

1.14 Leases

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

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.15 Government grants

Government grants, including grants relating to furlough grants relating to the Coronavirus pandemic, are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

JAKTO TRANSPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

1 Accounting policies

(Continued)

1.16 Related party transactions

The company has taken advantage of the exemption under paragraph 33.1A of FRS 102 from providing details of related party transactions with group companies that are incorporated within the financial statements of the group.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

3 Revenue

An analysis of the company's revenue is as follows:

| | 2022 £ | 2021 £ |
|--|------------------|------------------|
| Revenue analysed by class of business | | |
| Haulage, site clearance and excavation | 15,300,528 | 11,668,852 |
| | 2022 £ | 2021 £ |
| Revenue analysed by geographical market | | |
| UK | 15,300,528 | 11,668,852 |
| | 2022 £ | 2021 £ |
| Other revenue | | |
| Interest income | - | 465 |
| Grants received | 4,167 | 32,866 |

4 Operating profit

| | 2022 £ | 2021 £ |
|---|-----------|-----------|
| Operating profit for the year is stated after charging/(crediting): | | |
| Government grants | (4,167) | (32,866) |
| Fees payable to the company's auditor for the audit of the company's financial statements | 17,300 | 16,500 |
| Depreciation of owned property, plant and equipment | 310,764 | 395,426 |
| Depreciation of property, plant and equipment held under finance leases | 311,054 | 133,971 |
| Loss on disposal of property, plant and equipment | 32,535 | 271,549 |
| Operating lease charges | 216,000 | 271,000 |

JAKTO TRANSPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

| | 2022 Number | 2021 Number |
|-----------------------|----------------|----------------|
| Office and management | 11 | 11 |
| Production | 38 | 44 |
| Total | 49 | 55 |

Their aggregate remuneration comprised:

| | 2022 £ | 2021 £ |
|-----------------------|-----------|-----------|
| Wages and salaries | 2,077,637 | 2,151,825 |
| Social security costs | 194,336 | 212,039 |
| Pension costs | 484,192 | 102,523 |
| | 2,756,165 | 2,466,387 |

6 Directors' remuneration

| | 2022 £ | 2021 £ |
|---|-----------|-----------|
| Remuneration for qualifying services | 189,640 | 260,781 |
| Company pension contributions to defined contribution schemes | 296,000 | 40,000 |
| | 485,640 | 300,781 |

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

| | 2022 £ | 2021 £ |
|--------------------------------------|-----------|-----------|
| Remuneration for qualifying services | n/a | 85,505 |

As total directors' remuneration was less than £200,000 in the current year, no disclosure is provided for that year.

7 Investment income

| | 2022 £ | 2021 £ |
|-----------------------|-----------|-----------|
| Interest income | | |
| Other interest income | - | 465 |

JAKTO TRANSPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

8 Finance costs

| | 2022 £ | 2021 £ |
|--|---------------|---------------|
| Interest on financial liabilities measured at amortised cost: | | |
| Interest on bank overdrafts and loans | 163 | - |
| Other interest on financial liabilities | 9,609 | 10,952 |
| | <u>9,772</u> | <u>10,952</u> |
| Other finance costs: | | |
| Interest on finance leases and hire purchase contracts | 51,457 | 23,808 |
| Other interest | 109 | - |
| | <u>61,338</u> | <u>34,760</u> |

9 Taxation

| | 2022 £ | 2021 £ |
|--|----------------|----------------|
| Current tax | | |
| UK corporation tax on profits for the current period | 371,133 | (30,170) |
| | <u></u> | <u></u> |
| Deferred tax | | |
| Origination and reversal of timing differences | 404,664 | 134,882 |
| | <u></u> | <u></u> |
| Total tax charge | <u>775,797</u> | <u>104,712</u> |

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

| | 2022 £ | 2021 £ |
|--|----------------|----------------|
| Profit before taxation | 3,189,069 | 918,915 |
| | <u></u> | <u></u> |
| Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%) | 605,923 | 174,594 |
| Tax effect of expenses that are not deductible in determining taxable profit | 2,916 | 291 |
| Permanent capital allowances in excess of depreciation | (243,888) | (205,055) |
| Deferred tax | 404,664 | 134,882 |
| Loss on sale of assets | 6,182 | - |
| | <u></u> | <u></u> |
| Taxation charge for the year | <u>775,797</u> | <u>104,712</u> |

JAKTO TRANSPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

10 Dividends

| | 2022 £ | 2021 £ |
|--------------|-----------|-----------|
| Interim paid | 2,530,000 | 1,383,374 |

11 Property, plant and equipment

| | Plant and machinery £ | Fixtures, fittings & equipment £ | Motor vehicles £ | Total £ |
|------------------------------------|--------------------------|-------------------------------------|---------------------|------------|
| Cost | | | | |
| At 1 December 2021 | 5,819,385 | 98,989 | 1,288,370 | 7,206,744 |
| Additions | 1,372,811 | 2,089 | 49,710 | 1,424,610 |
| Disposals | (857,730) | - | (24,495) | (882,225) |
| At 30 November 2022 | 6,334,466 | 101,078 | 1,313,585 | 7,749,129 |
| Depreciation and impairment | | | | |
| At 1 December 2021 | 2,192,681 | 74,278 | 912,673 | 3,179,632 |
| Depreciation charged in the year | 521,866 | 3,912 | 96,040 | 621,818 |
| Eliminated in respect of disposals | (432,934) | - | (18,756) | (451,690) |
| At 30 November 2022 | 2,281,613 | 78,190 | 989,957 | 3,349,760 |
| Carrying amount | | | | |
| At 30 November 2022 | 4,052,853 | 22,888 | 323,628 | 4,399,369 |
| At 30 November 2021 | 3,626,704 | 24,711 | 375,697 | 4,027,112 |

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

| | 2022 £ | 2021 £ |
|---------------------|-----------|-----------|
| Plant and machinery | 2,354,997 | 1,537,943 |
| Motor vehicles | 93,783 | 62,906 |
| | 2,448,780 | 1,600,849 |

12 Inventories

| | 2022 £ | 2021 £ |
|-------------------------------|-----------|-----------|
| Raw materials and consumables | 16,062 | 13,066 |

JAKTO TRANSPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

13 Financial instruments

| | 2022 £ | 2021 £ |
|---|-----------|-----------|
| Carrying amount of financial assets | | |
| Debt instruments measured at amortised cost | 1,361,828 | 2,392,819 |
| Carrying amount of financial liabilities | | |
| Measured at fair value through profit or loss | | |
| Measured at amortised cost | 2,699,998 | 3,524,556 |

14 Trade and other receivables

| | 2022 £ | 2021 £ |
|---|-----------|-----------|
| Amounts falling due within one year: | | |
| Trade receivables | 1,300,832 | 1,252,677 |
| Gross amounts owed by contract customers | 692,141 | 723,981 |
| Corporation tax recoverable | 17,082 | 48,781 |
| Amounts owed by group undertakings | - | 1,015,348 |
| Other receivables | 60,996 | 80,966 |
| Prepayments and accrued income | 67,701 | 69,034 |
| | 2,138,752 | 3,190,787 |

| | 2022 £ | 2021 £ |
|--|-----------|-----------|
| Amounts falling due after more than one year: | | |
| Trade receivables | - | 68,763 |
| Total debtors | 2,138,752 | 3,259,550 |

15 Current liabilities

| | Notes | 2022 £ | 2021 £ |
|------------------------------------|-------|-----------|-----------|
| Bank loans and overdrafts | 17 | 84,732 | 303,273 |
| Obligations under finance leases | 18 | 730,907 | 448,078 |
| Trade payables | | 536,645 | 681,729 |
| Amounts owed to group undertakings | | - | 1,015,348 |
| Corporation tax | | 370,621 | - |
| Other taxation and social security | | 47,270 | 42,455 |
| Other payables | | 1,855 | 7,610 |
| Accruals and deferred income | | 158,364 | 129,178 |
| | | 1,930,394 | 2,627,671 |

The bank loan is a government backed CBILS loan.

The finance leases are secured on the vehicles and equipment which they were used to acquire.

JAKTO TRANSPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

16 Non-current liabilities

| | Notes | 2022 £ | 2021 £ |
|----------------------------------|-------|------------------|----------------|
| Bank loans and overdrafts | 17 | - | 84,733 |
| Obligations under finance leases | 18 | 1,187,495 | 854,607 |
| | | <u>1,187,495</u> | <u>939,340</u> |

The finance leases are secured on the vehicles and equipment which they were used to acquire.

17 Borrowings

| | 2022 £ | 2021 £ |
|-------------------------|---------------|----------------|
| Bank loans | 84,732 | 276,040 |
| Bank overdrafts | - | 111,966 |
| | <u>84,732</u> | <u>388,006</u> |
| Payable within one year | 84,732 | 303,273 |
| Payable after one year | - | 84,733 |
| | <u>84,732</u> | <u>388,006</u> |

The long-term loans are secured by a personal guarantee given by the directors.

The bank loan is repayable over 2 years at a rate of interest of 2.4%.

18 Finance lease obligations

| | 2022 £ | 2021 £ |
|---|------------------|------------------|
| Future minimum lease payments due under finance leases: | | |
| Within one year | 730,907 | 448,079 |
| In two to five years | 1,187,495 | 854,606 |
| | <u>1,918,402</u> | <u>1,302,685</u> |

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

19 Provisions for liabilities

| | 2022 £ | 2021 £ |
|----------------|---------------|---------------|
| Heap provision | <u>84,000</u> | <u>84,000</u> |

JAKTO TRANSPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

19 Provisions for liabilities

(Continued)

Movements on provisions:

Heap provision

£

At 1 December 2021 and 30 November 2022

84,000

The provision of £84,000 included in the accounts relates to the removal of various soils and hardcore which are currently stored at Oaks Lane, Barnsley. The provision is made up of tipping and haulage charges.

20 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

| | Liabilities 2022 £ | Liabilities 2021 £ |
|--------------------------------|--------------------------|--------------------------|
| Balances: | | |
| Accelerated capital allowances | 1,034,003 | 629,339 |
| | | |
| Movements in the year: | | 2022 £ |
| Liability at 1 December 2021 | | 629,339 |
| Charge to profit or loss | | 404,664 |
| Liability at 30 November 2022 | | 1,034,003 |

The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

21 Retirement benefit schemes

| | 2022 £ | 2021 £ |
|---|-----------|-----------|
| Defined contribution schemes | | |
| Charge to profit or loss in respect of defined contribution schemes | 484,192 | 102,523 |

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

JAKTO TRANSPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

22 Share capital

| | 2022 Number | 2021 Number | 2022 £ | 2021 £ |
|---|----------------|----------------|-----------|-----------|
| Ordinary share capital Issued and fully paid ordinary shares of £1 each | 100 | 100 | 100 | 100 |

23 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

| | 2022 £ | 2021 £ |
|-----------------|-----------|-----------|
| Within one year | 216,000 | 216,000 |

24 Directors' transactions

At the start of the year one of the directors had an overdrawn loan account of £52,557, this balance remained outstanding at the year end. The loan was on an interest free basis.

25 Ultimate controlling party

Jakto Group Limited is the ultimate holding company owning 100% of the shares in Jakto Transport Limited.

The ultimate controlling party is considered to be the directors Mr N Hellewell and Mr A Hellewell, together their spouses they own 100% of the shares in the holding company at the year end.

Jakto Transport Limited is consolidated into the accounts of Jakto Group Limited.

26 Cash generated from operations

| | 2022 £ | 2021 £ |
|--|------------------|------------------|
| Profit for the year after tax | 2,413,272 | 814,203 |
| Adjustments for: | | |
| Taxation charged | 775,797 | 104,712 |
| Finance costs | 61,338 | 34,760 |
| Investment income | - | (465) |
| Loss on disposal of property, plant and equipment | 32,535 | 271,549 |
| Depreciation and impairment of property, plant and equipment | 621,818 | 529,397 |
| Movements in working capital: | | |
| (Increase)/decrease in inventories | (2,996) | 1,255 |
| Decrease/(increase) in trade and other receivables | 1,089,099 | (540,730) |
| (Decrease)/increase in trade and other payables | (1,132,186) | 841,188 |
| Cash generated from operations | 3,858,677 | 2,055,869 |

JAKTO TRANSPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

27 Analysis of changes in net debt

| | 1 December 2021 £ | Cash flows £ | New finance leases £ | 30 November 2022 £ |
|----------------------------------|-------------------------|-----------------|----------------------------|--------------------------|
| Cash at bank and in hand | - | 584,359 | - | 584,359 |
| Bank overdrafts | (111,966) | 111,966 | - | - |
| | (111,966) | 696,325 | - | 584,359 |
| Borrowings excluding overdrafts | (276,040) | 191,308 | - | (84,732) |
| Obligations under finance leases | (1,302,685) | 672,776 | (1,288,493) | (1,918,402) |
| | (1,690,691) | 1,560,409 | (1,288,493) | (1,418,775) |

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