

Company registration number 02169364 (England and Wales)

EXPECT DISTRIBUTION LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2022

EXPECT DISTRIBUTION LIMITED

COMPANY INFORMATION

Directors	Mr M J Kilner Mr A D Taylor Mr N W Rushworth Mr S P Wood
Company number	02169364
Registered office	Premier Point Premier Gate Staithgate Lane Bradford West Yorkshire BD6 1DW
Auditor	Azets Audit Services Limited 33 Park Place Leeds LS1 2RY

EXPECT DISTRIBUTION LIMITED

CONTENTS

	Page
Strategic report	1 - 3
Directors' report	4 - 6
Directors' responsibilities statement	7
Independent auditor's report	8 - 10
Statement of comprehensive income	11
Balance sheet	12
Statement of changes in equity	13
Notes to the financial statements	14 - 29

EXPECT DISTRIBUTION LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 NOVEMBER 2022

The directors present the strategic report for the Year ended 30 November 2022.

Fair review of the business

The Directors are pleased to report another progressive year of growth arising primarily from long term, contracted business within the Contract Logistics and Warehousing divisions. Industry pressures continued to be prevalent and high levels of inflation resulted in significant cost increases across all areas of the business.

Our strategy remained unchanged throughout the year and we remain focused on the formula for success which is a customer focused environment that continually strives add value as their 3PL provider. Opportunities to become a valued logistics partner are as prevalent as ever given the tough trading conditions that businesses face and that is where we can add value.

Headline revenue growth for the year was £5.39m (13.3%) when compared to 2021 and whilst our profit before tax was £3.2m less than that of 2021 due to a significant increase in financing costs and profit on sale of assets in the prior year, our EBITDA grew by £942k (22.1%) which is a measure used by management to determine underlying trade performance.

We invested significantly in our leasehold infrastructure at our Thornton Road site within the year, creating additional capacity to house future growth within the warehousing division. The investment unlocked opportunity for new customer relationships and a significant number of newly created job roles within the business.

Focus continued on the Contract Logistics and Warehousing divisions with significant new contract wins contributing to the year on year revenue growth. Contracted business continues to be our significant growth area which offers security for both parties and a partnership which consists of continuous improvement.

Investment in our people and infrastructure remained one of the highest priorities throughout the year as it is recognised that development and the welfare of our people is the key to our success. We continue to attract the industry's talent by operating a culture of progression for all involved which is extremely important in a growing business such as Expect.

Benchmarking of pay rates and employee benefits were undertaken in the year across the workforce and increases awarded to maintain our position in the upper quartile of the market. It is as important as ever that our colleagues are appropriately remunerated given current cost of living increases, but also that our benefits package remains industry leading and contributes to their well-being accordingly.

Our 2023 strategy remains consistent with the success of recent years and that is to focus on long term partnerships with new and existing customers, whilst investing heavily in the workforce that enable our day to day success. The economic uncertainty will bring its challenges as with any business, but the Directors are confident that we have the strength to navigate through and continue with the path of positive growth within the business.

Our priorities continue to remain the health, safety and well-being of those employees and on delivering strong service levels for all our customers. The Directors would like to recognise the dedication of all Expect colleagues once again and thank all involved in making the year a success.

EXPECT DISTRIBUTION LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

Principal risks and uncertainties

Financial risk management objectives and policies

The company operates mainly in the UK and seeks to mitigate exposure to all forms of risk both internal and external.

Customer and suppliers

The Company is not wholly dependant on any one main customer or supplier and has a low concentration risk across the customer base.

Credit risk

The Company seeks to reduce risk by carrying out credit checks on new customers and operating strict credit control on its debtor ledger.

Laws and regulations

The Company complies with all road traffic, health and safety and employment law and takes its responsibilities very seriously.

Employees

The average number of employees was 357.

The Company continues to be an equal opportunities employer. In employment related decisions, the company complies with anti-discrimination requirements concerning matters of race, colour, national origin, marital status, sexual orientation, religious belief, age and physical or mental ability. Disabled people are given full and equal consideration for employment and their development is assisted and encouraged.

Employees are consulted about changes which may affect them through the Company's appointed officers.

Promoting the success of the company

The Board of Directors of Expect Distribution Ltd have, when making decisions, acted in a way they believe to be in good faith and will duly promote the success of the company for the benefit of its members as a whole, and in doing so have had regard to stakeholders and the matters set out in subsections 172(1)(a-f) of the Companies Act 2006.

EXPECT DISTRIBUTION LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

In making this statement the directors have considered the following matters:

1. Consequence and long term impact of decisions made:

The board review the company strategy on a regular basis and ensure that decisions made are supportive of that strategy and are appropriate to the long term success of the company. Project appraisal documents are produced which comprehensively demonstrate the viability of future investments to ensure they are of benefit to the business.

2. Interests of its employees

Our people are at the heart of our success and are critical to the future of the business and its related success. We endeavour to be an employer of choice that recruits, retains and develops to the highest of standards that in turn will be represented in their career at Expect. Our decisions are always made with our colleagues at the forefront of our minds to ensure their interests are well protected.

3. The need to foster business relationships with customers, suppliers and others

Expect has developed and built on the strength of its long term relationships that it holds with its customers and suppliers. Our mission is to be the best in the industry and fostering relationships is one of the key requirements to ensure we are delivering the best possible service to our customers and working effectively with suppliers.

4. Impact on the community and the environment

Sustainability in our operations is a topic that is of high regard to the board of directors in their conduct and decision making. Our strategy includes a high level of consideration to ensuring we are investing in the newest technology that minimises impact on the environment and our carbon footprint. We are a supporter and sponsor of the local authority in Bradford, ensuring that we give back to the community and support its development.

5. Desirability to maintain a reputation of high standards and business conduct

The board are responsible for setting and delivering the culture, values and reputation of the company. Our colleagues are fundamental to achieving our ambition to be the best in the industry and we are continually developing a culture that allows our colleagues to prosper. Regular training is carried out with our colleagues to ensure that the code of ethics and conduct are continually reinforced in the way that we operate.

6. The need to act fairly as between members of the company

The company always seeks to ensure that its communications are transparent and in accordance with the strategy of the business to ensure the long term success is supported. Decisions are made with fairness of all key stakeholders in mind and ensuring that decisions are made in the best interests of its members.

On behalf of the board

Mr M J Kilner
Director

26 May 2023

EXPECT DISTRIBUTION 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.

The financial statements comprise the results for the 52 week period to 27 November 2022.

Principal activities

The principal activity of the company continued to be that of a haulage and transport contractor, being particularly involved in pallet delivery and warehousing.

Results and dividends

The results for the Year are set out on page 11.

Ordinary dividends were paid amounting to £540,720. The directors do not recommend payment of a final dividend.

Directors

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

Mr M J Kilner

Mr A D Taylor

Mr N W Rushworth

Mr S P Wood

Mr Robert Rushworth

(Resigned 22 December 2021)

Elaine Rushworth

(Resigned 22 December 2021)

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the company continues and that the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

EXPECT DISTRIBUTION LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

Employee involvement

The company's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance.

There is no employee share scheme at present, but the directors are considering the introduction of such a scheme as a means of further encouraging the involvement of employees in the company's performance.

Our people are the face of the Expect brand and the high standard of services we offer to our customers. The culture amongst our colleagues is of extreme importance to the board of directors and employee engagement is fundamental to upholding the culture and values that we operate to.

We are an equal opportunity employer that strives to be an employer of choice, recruiting industry leading talent that will perform to their potential. Our recruitment and retention strategy is continually reviewed to ensure we remain ahead of the market and offer pay and benefits that stand out from the rest.

The Directors are committed to promoting a healthy workforce with focus on mental health and wellbeing, whilst demonstrating a culture of openness to keep colleagues informed of key developments within the business.

During the year the board of directors have engaged with colleagues through the following methods:

- Regular employee forums that create a platform for cross directional information exchange and engagement
- Line managers hold regular one to one meetings with their reports which play a key part in personal development and information exchange
- Annual employee survey with associated action plans to address key themes that arise and require considered change
- Benchmarking and review of pay rates resulting in an industry leading increase that remains in the upper quartile of the market
- Review of the voluntary benefits package we have in place to ensure they are industry leading and support work life balance and personal care
- Bi-monthly newsletters that include key business updates alongside publications from colleagues and their respective efforts within the business
- Induction programmes for all new employees joining the Expect family to ensure they understand how the business operates and allowed the opportunity to meet their colleagues
- Warehouse to Wheels upskill programme introduced, investing in existing employee development and allowing a funded career progression route to becoming a driver
- Apprenticeship programme enhanced to upskill our existing employees, utilising the levy that was introduced by the government
- In house and external training packages offered out to all employees within the business with a healthy budget assigned to development

Auditor

The auditor, Azcts Audit Services Limited, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

EXPECT DISTRIBUTION LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

Energy and carbon report

Expect Distribution are committed to continually developing its infrastructure and investing in energy efficient operating equipment to reduce the overall effect it has on the environment.

Fleet efficiency and reduced empty running are consistently measured and focused on throughout the business, creating partnerships where possible to reduce the overall mileage travelled. Our membership of the Palletline network allows us to reduce the stem mileage associated with our deliveries by selecting the optimal route for the consignment.

Forklift equipment is renewed periodically with over 80% of our fleet now operating with rechargeable electric motors rather than the traditional gas engine. Our renewal policy of 5 years on such equipment ensures we are investing in the most recent technology when renewing equipment.

Alternative fuel vehicles are a firm part of Expect's replacement vehicle strategy with pilot schemes currently in place to assess viability across certain parts of the operation.

Energy consumption for the annual period of reference are stated in the table below for each respective fuel type used within Expect Distribution Ltd:

Fuel Type	2022 kWh	2022 CO ₂ e (tonnes)	2021 kWh	2021 CO ₂ e (tonnes)
Diesel – Vehicles	29,457,264	7,203	27,219,818	6,656
Electricity	922,553	196	922,861	196
Gas	807,639	148	887,354	163
Total	31,187,455	7,547	29,030,033	7,014

The intensity ratio based on total gross emissions was 16.40 (2022 – 17.27) tonnes CO₂ per £100,000 of sales revenue.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually 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 M J Kilner
Director

26 May 2023

EXPECT DISTRIBUTION 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;
- 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 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.

EXPECT DISTRIBUTION LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF EXPECT DISTRIBUTION LIMITED

Opinion

We have audited the financial statements of Expect Distribution Limited (the 'company') for the Year ended 30 November 2022 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity 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 *Auditor's 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 auditor's 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.

EXPECT DISTRIBUTION LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF EXPECT DISTRIBUTION 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

EXPECT DISTRIBUTION LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF EXPECT DISTRIBUTION LIMITED

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we 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. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and 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 indicators of potential bias and;
- Performing audit work over the timing and recognition of revenue and in particular whether it has been recorded in the correct accounting period.

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 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.

Use of our report

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

Chris Butt (Senior Statutory Auditor)
For and on behalf of Azets Audit Services Limited

26 May 2023

Chartered Accountants
Statutory Auditor

33 Park Place
Leeds
LS1 2RY

EXPECT DISTRIBUTION LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 NOVEMBER 2022

		Year ended 30 November 2022	Year ended 30 November 2021 as restated
	Notes	£	£
Turnover	3	46,004,298	40,605,780
Cost of sales		(31,988,442)	(28,851,312)
Gross profit		14,015,856	11,754,468
Administrative expenses		(8,990,969)	(4,807,928)
Other operating income		-	84,016
Operating profit	5	5,024,887	7,030,556
Interest receivable and similar income	8	18,200	9,561
Interest payable and similar expenses	9	(1,269,504)	(66,804)
Profit before taxation		3,773,583	6,973,313
Tax on profit	10	(791,322)	(561,333)
Profit for the financial Year		2,982,261	6,411,980

The profit and loss account has been prepared on the basis that all operations are continuing operations.

EXPECT DISTRIBUTION LIMITED

BALANCE SHEET

AS AT 30 NOVEMBER 2022

		2022		2021	
	Notes	£	£	as restated £	£
Fixed assets					
Tangible assets	12		3,024,489		2,858,655
Investments	13		56,250		56,250
			<u>3,080,739</u>		<u>2,914,905</u>
Current assets					
Stocks	14	82,649		96,897	
Debtors	15	14,585,715		8,695,243	
Cash at bank and in hand		140,364		1,640	
		<u>14,808,728</u>		<u>8,793,780</u>	
Creditors: amounts falling due within one year	18	(12,937,957)		(9,367,075)	
Net current assets/(liabilities)			<u>1,870,771</u>		<u>(573,295)</u>
Total assets less current liabilities			<u>4,951,510</u>		<u>2,341,610</u>
Creditors: amounts falling due after more than one year	19		(223,555)		(230,687)
Provisions for liabilities					
Deferred tax liability	20	527,080		351,589	
		<u>(527,080)</u>		<u>(351,589)</u>	
Net assets			<u><u>4,200,875</u></u>		<u><u>1,759,334</u></u>
Capital and reserves					
Called up share capital	22		7,500		7,500
Profit and loss reserves			4,193,375		1,751,834
Total equity			<u><u>4,200,875</u></u>		<u><u>1,759,334</u></u>

The financial statements were approved by the board of directors and authorised for issue on 26 May 2023 and are signed on its behalf by:

Mr M J Kilner
Director

Company Registration No. 02169364

EXPECT DISTRIBUTION LIMITED

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

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
As restated for the period ended 30 November 2021:				
Balance at 30 November 2020		6,000	7,131,770	7,137,770
Period ended 30 November 2021:				
Profit and total comprehensive income for the period		-	6,411,980	6,411,980
Issue of share capital	22	1,500	-	1,500
Dividends	11	-	(12,342,000)	(12,342,000)
Other movements		-	550,084	550,084
Balance at 30 November 2021		7,500	1,751,834	1,759,334
Period ended 30 November 2022:				
Profit and total comprehensive income for the period		-	2,982,261	2,982,261
Dividends	11	-	(540,720)	(540,720)
Balance at 30 November 2022		7,500	4,193,375	4,200,875

EXPECT DISTRIBUTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 2022

1 Accounting policies

Company information

Expect Distribution Limited is a private company limited by shares incorporated in England and Wales. The registered office is Premier Point Premier Gate, Staithgate Lane, Bradford, West Yorkshire, BD6 1DW.

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 £1.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. 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 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; 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 company has taken advantage of the exemption conferred by section 33.11 of FRS 102 allowing it not to disclose transactions and balance within its group, on the grounds that those entities are related by virtue of having the same control as defined in 33.11(b).

The financial statements of the company are consolidated in the financial statements of Expect Distribution Group Limited. These consolidated financial statements are available from its registered office, Premier Point, Premier Gate, Staithgate Lane, Bradford, BD6 1DW.
The immediate parent company is Expect Group Limited, a company registered in England and Wales with registered office as per the above note. On 26 November 2021, the immediate parent company was acquired by Expect Distribution Group Limited.

The ultimate parent company and controlling party is Expect Distribution Group Ltd, a company registered in England and Wales. Expect Distribution Group Ltd is the smallest and largest group into which the company is consolidated.

1.2 Prior period error

The 2021 accounts have been restated to incorporate the impact of missing the recognition of growth shares at the date of inception. The change has resulted in a reduced profit for the year ended 28 November 2021 of £550,084 and the movement being shown in Other Movements in the Statement of Changes in Equity.

EXPECT DISTRIBUTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

1 Accounting policies

(Continued)

1.3 Going concern

The directors have considered all factors, including in the wider economy, as part of their assessment of going concern. Although the current economic climate creates both cashflow and profitability risks for the company, the company continues to trade profitably and is cash generative. Budgets and cashflows have been prepared using assumptions for customer demand and supply chain costs as well as expectations for legal and regulatory environmental impacts. These budgets and cashflows indicate continuing profitability and cash generation, consequently the directors believe on balance that they have sufficient resources to enable trading to continue for a period of at least one year from the date of approval of the financial statements. Accordingly, these financial statements have been prepared on the going concern basis.

1.4 Turnover

Turnover 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.

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.

1.5 Tangible fixed assets

Tangible fixed assets 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:

Freehold buildings	5 - 50 Years Straight Line
Plant and equipment	3 - 10 Years Straight Line
Fixtures and fittings	3 - 15 Years Straight Line
Computers	2 - 5 Years Straight Line
Motor vehicles	2 - 4 Years Straight Line

Assets under construction are not depreciated until the completed asset is available for, or brought into, use.

Freehold land is not depreciated.

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.

1.6 Fixed asset investments

Investments are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

EXPECT DISTRIBUTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

1 Accounting policies

(Continued)

1.7 Impairment of fixed 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.

1.8 Stocks

Stocks 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 stocks to their present location and condition.

Stocks 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.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks 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.

1.9 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.

1.10 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 balance sheet 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.

EXPECT DISTRIBUTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors 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.

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 creditors, 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 creditors 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 creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

EXPECT DISTRIBUTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

1 Accounting policies

(Continued)

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.

1.11 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.

1.12 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 profit and loss account 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.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

EXPECT DISTRIBUTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

1 Accounting policies

(Continued)

1.13 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 fixed 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.

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.15 Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

1.16 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 balance sheet 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.

1.17 Government grants

Government grants 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.

EXPECT DISTRIBUTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

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.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Depreciation

The depreciation policies have been set according to management's experience of the useful lives of a typical asset in each category, something which is reviewed annually. It is not considered practical to use a per unit basis to allocate depreciation without undue cost and therefore amounts are charged annually. The depreciation charged during the year was £578,054 which the directors feel is a fair reflection of the benefits derived from the consumption of the tangible fixed assets in use during the period.

3 Turnover and other revenue

	2022	2021
	£	£
Turnover analysed by class of business		
Services	46,004,298	40,605,780
	<u>46,004,298</u>	<u>40,605,780</u>
	2022	2021
	£	£
Turnover analysed by geographical market		
UK Sales	45,589,818	40,325,645
European Sales	414,480	280,135
	<u>46,004,298</u>	<u>40,605,780</u>
	2022	2021
	£	£
Other revenue		
Interest income	-	3,761
Grants received	-	84,016
	<u>-</u>	<u>87,777</u>

4 Exceptional item

	2022	2021
	£	£
Expenditure		
Profit on sale of properties	-	(3,863,826)
	<u>-</u>	<u>(3,863,826)</u>

EXPECT DISTRIBUTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

5 Operating profit

	2022	2021 as restated
	£	£
Operating profit for the period is stated after charging/(crediting):		
Government grants	-	(84,016)
Fees payable to the company's auditor for the audit of the company's financial statements	33,900	18,213
Depreciation of owned tangible fixed assets	425,045	376,234
Depreciation of tangible fixed assets held under finance leases	153,019	143,259
Profit on disposal of tangible fixed assets	(25,689)	-
Share-based payments	-	550,084
Operating lease charges	5,112,103	2,681,802
	<u>5,112,103</u>	<u>2,681,802</u>

6 Employees

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

	2022 Number	2021 Number
Directors	5	6
Central	25	22
Contracts and own fleet	224	210
Storage	103	83
Total	<u>357</u>	<u>321</u>

Their aggregate remuneration comprised:

	2022 £	2021 £
Wages and salaries	11,889,317	10,464,368
Social security costs	1,055,555	895,855
Pension costs	272,639	201,872
	<u>13,217,511</u>	<u>11,562,095</u>

7 Directors' remuneration

	2022 £	2021 £
Remuneration for qualifying services	82,867	478,801
Company pension contributions to defined contribution schemes	31,592	11,470
	<u>114,459</u>	<u>490,271</u>

EXPECT DISTRIBUTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

7 Directors' remuneration

(Continued)

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2021 - 2).

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

	2022 £	2021 £
Remuneration for qualifying services	n/a	177,518

8 Interest receivable and similar income

	2022 £	2021 £
Interest income		
Interest on bank deposits	-	3,761
Income from fixed asset investments		
Income from other fixed asset investments	18,200	5,800
Total income	18,200	9,561

9 Interest payable and similar expenses

	2022 £	2021 £
Interest on bank overdrafts and loans	124,252	29,492
Interest payable to group undertakings	1,111,779	-
Interest on finance leases and hire purchase contracts	33,473	37,312
	1,269,504	66,804

10 Taxation

	2022 £	2021 £
Current tax		
UK corporation tax on profits for the current period	615,831	428,895
Deferred tax		
Origination and reversal of timing differences	175,491	132,438
Total tax charge	791,322	561,333

EXPECT DISTRIBUTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

10 Taxation

(Continued)

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	3,773,583	6,973,313
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	716,981	1,324,929
Tax effect of expenses that are not deductible in determining taxable profit	2,463	4,201
Tax effect of income not taxable in determining taxable profit	(3,458)	(1,102)
Group relief	(28,088)	-
Other non-reversing timing differences	(23,075)	(899,133)
Deferred tax adjustments in respect of prior years	126,499	132,438
Taxation charge for the period	791,322	561,333

11 Dividends

	2022 £	2021 £
Interim paid	540,720	12,342,000

EXPECT DISTRIBUTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2022

12	Tangible fixed assets									
		Freehold buildings	Assets under construction	Plant and equipment	Fixtures and fittings	Computers	Motor vehicles	Total		
	Cost	£	£	£	£	£	£	£		
At 1 December 2021		781,883	961,174	630,494	1,723,344	459,227	80,200	4,636,322		
Additions		-	144,547	154,165	136,477	184,005	138,090	757,284		
Disposals		-	-	(11,500)	(9,263)	-	(80,200)	(100,963)		
Transfers		-	(961,174)	961,174	-	-	-	-		
At 30 November 2022		781,883	144,547	1,734,333	1,850,558	643,232	138,090	5,292,643		
Depreciation and impairment										
At 1 December 2021		433,141	-	476,759	565,849	242,774	59,144	1,777,667		
Depreciation charged in the Year		47,310	-	140,312	250,760	102,047	37,635	578,064		
Eliminated in respect of disposals		-	-	(9,000)	-	-	(78,577)	(87,577)		
At 30 November 2022		480,451	-	608,071	816,609	344,821	18,202	2,268,154		
Carrying amount										
At 30 November 2022		301,432	144,547	1,126,262	1,033,949	298,411	119,888	3,024,489		
At 30 November 2021		348,742	961,174	153,735	1,157,495	216,453	21,056	2,858,655		

EXPECT DISTRIBUTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

12 Tangible fixed assets

(Continued)

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 £
Total Assets	631,309	661,920

Freehold land and buildings with a carrying amount of £3,024,489 (2021 - £2,858,655) have been pledged to secure borrowings of the company. The company is not allowed to pledge these assets as security for other borrowings or to sell them to another entity.

13 Fixed asset investments

	2022 £	2021 £
Unlisted investments	56,250	56,250

14 Stocks

	2022 £	2021 £
Finished goods and goods for resale	82,649	96,897

15 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	9,685,658	8,038,704
Amounts owed by group undertakings	3,948,723	90,000
Other debtors	3,042	-
Prepayments and accrued income	948,292	566,539
	14,585,715	8,695,243

16 Loans and overdrafts

	2022 £	2021 £
Bank overdrafts	3,853,036	217,914
Payable within one year	3,853,036	217,914

EXPECT DISTRIBUTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

16 Loans and overdrafts

(Continued)

The company's overdraft is covered by a debenture over the fixed and floating assets of the Company and a counter indemnity is also held by bankers.

Expect Distribution Limited provide a guarantee for the loans held in Expect Distribution Group Limited.

17 Finance lease obligations

	2022	2021
	£	£
Future minimum lease payments due under finance leases:		
Within one year	261,972	289,952
In two to five years	223,555	230,687
	<u>485,527</u>	<u>520,639</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.

18 Creditors: amounts falling due within one year

	Notes	2022	2021
		£	£
Bank loans and overdrafts	16	3,853,036	217,914
Obligations under finance leases	17	261,972	289,951
Trade creditors		5,033,649	6,266,414
Corporation tax		322,874	34,892
Other taxation and social security		1,393,284	1,314,779
Other creditors		284,621	189,439
Accruals and deferred income		1,788,521	1,053,686
		<u>12,937,957</u>	<u>9,367,075</u>

19 Creditors: amounts falling due after more than one year

	Notes	2022	2021
		£	£
Obligations under finance leases	17	<u>223,555</u>	<u>230,687</u>

EXPECT DISTRIBUTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

20 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2022 £	Liabilities 2021 £
Balances:		
Accelerated capital allowances	527,080	351,589
	<u> </u>	<u> </u>
Movements in the Year:		2022 £
Liability at 1 December 2021		351,589
Charge to profit or loss		175,491
		<u> </u>
Liability at 30 November 2022		527,080
		<u> </u>

The deferred tax liability set out above is expected to reverse within 5 years and relates to accelerated capital allowances that are expected to mature within the same period.

The UK corporation tax rate was 19% throughout the year.

In the March 2021 Budget, a change to the future UK corporation tax rate was announced, indicating that the rate will increase to 25% from April 2023. Deferred tax balances at the reporting date are therefore measured at 25% (2021 - 25 %).

21 Retirement benefit schemes

	2022 £	2021 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	272,639	213,342
	<u> </u>	<u> </u>

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.

The total commitment outstanding in relation to retirement benefit contributions totalled £79,887 (2021 - £nil)

22 Share capital

	2022 Number	2021 Number	2022 £	2021 £
Ordinary share capital Issued and fully paid				
Ordinary A Shares of £1 each	6,000	6,000	6,000	6,000
Ordinary B Shares of £1 each	1,312	1,312	1,312	1,312
Ordinary C Shares of £1 each	188	188	188	188
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	7,500	7,500	7,500	7,500
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

EXPECT DISTRIBUTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

22 Share capital

(Continued)

The A ordinary shares have the right to participate in dividends and on a return of capital if certain levels of return are achieved, and full voting rights.

The B & C ordinary shares have the right to participate in dividends and on a return of capital if certain levels of return are achieved, but no voting rights.

During the year, the company had a group restructure, whereby the share capital of Expect Distribution Limited was purchased by:-

Expect Group Limited - 80%

Expect Distribution Group Limited - 20%

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	2,031,293	4,788,357
Between two and five years	4,403,030	15,448,714
In over five years	4,904,632	8,478,601
	<u>11,338,955</u>	<u>28,715,672</u>

24 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2022 £	2021 £
Acquisition of tangible fixed assets	<u>1,314,809</u>	<u>-</u>

25 Ultimate controlling party

The immediate parent company is Expect Group Limited, a company registered in England and Wales with registered office Premier Point, Premier Gate, Staithgate Lane, Bradford, BD6 1DW. On 26 November, Expect Group Limited purchased 80% of the share capital of Expect Distribution Limited, with Expect Distribution Group Limited purchasing the other 20%. On the same day, the immediate parent company (Expect Group Limited) was acquired by Expect Distribution Group Limited.

The ultimate parent company and controlling party is Expect Distribution Group Ltd, a company registered in England and Wales with registered office Premier Point, Premier Gate, Staithgate Lane, Bradford, BD6 1DW. Expect Distribution Group Ltd is the smallest and largest group into which the company is consolidated.

26 Prior period adjustment

Adjustments to equity

The prior period adjustments do not give rise to any effect upon equity.

EXPECT DISTRIBUTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

26 Prior period adjustment

(Continued)

Notes to adjustments

The 2021 accounts have been restated to incorporate the impact of missing the recognition of growth shares at the date of inception. The change has resulted in a reduced profit for the year ended 28 November 2021 of £550,084.

A summary of the amendments to the accounts is as follows:-

Recognition of cost in the Profit and Loss account - (£550,084)

Allocation to Retained Earnings - £550,084

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.