

Company registration number 02681656 (England and Wales)

MEGA TRUCKING COMPANY LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021
PAGES FOR FILING WITH REGISTRAR

MEGA TRUCKING COMPANY LIMITED

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MEGA TRUCKING COMPANY LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present the strategic report for the year ended 31 December 2021.

Fair review of the business

Mega Trucking Company Limited is a truck operator providing services to UK based logistics providers. The company is exclusively involved in the UK logistics market. The company operates, principally, from two sites, Alconbury in Cambridgeshire and Stallingborough (Grimsby) in North East Lincolnshire.

The company has negotiated a fuel price mechanism which compensates the company for any fluctuations in the price of diesel. Additionally the company has positioned itself, in terms of the use of agency labour and short term rental trucks, to mitigate any short and long term fluctuations in business activity. The company has endeavoured to increase the number of employed drivers during the year in an attempt to mitigate the effects of a perceived driver shortage.

The company's turnover has increased from £7,555,328 in 2020 to £8,291,684 in 2021. This increase of 9.7% reflects an increase of truck numbers from a core of 57 trucks (2020) to 65 trucks (2021) and rates being adjusted, in part, to reflect changes in fuel prices.

The company has achieved a pre-tax profit of £16,152 (2020: £160,414) and a retained profit of £13,275 (2020: £129,550).

Key performance indicators are as follows:	2021	2020
Gross margin	10.64%	10.53%
Operating margin	0.20%	2.12%

Although no specific statistics are available the company aims to consider the welfare of its staff at all times whilst operating with an awareness and responsibility towards key environmental issues.

Future developments

The company expects that the trading conditions in 2022 will be similar to that experienced in Q4 of 2021 onwards. Pressure on margins are expected to remain constant during the year.

Principal risks and uncertainties

The company expects that uncertainties in the overall logistics market will be maintained for the foreseeable period, principally caused by Brexit. The possible ramifications are volume reductions, but the company is actively looking to mitigate any possible impact. The logistics market acknowledges that there is a shortage of drivers within the United Kingdom and from April 2021, this was an industry wide problem, which lead to significant wage increases and sales rate increases. The Company has been very proactive in recruiting and retaining employees and this pattern is expected to continue in 2022. Truck rental agreements are spread, deliberately, so every year some replacements are due which gives scope to review the fleet size.

On behalf of the board

Mr B Ewals
Director

18 July 2022

MEGA TRUCKING COMPANY LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Current assets					
Debtors	4	1,426,950		1,604,169	
Cash at bank and in hand		570,702		217,218	
		<u>1,997,652</u>		<u>1,821,387</u>	
Creditors: amounts falling due within one year	5	<u>(815,464)</u>		<u>(652,459)</u>	
Net current assets			1,182,188		1,168,928
Provisions for liabilities			209		194
Net assets			<u>1,182,397</u>		<u>1,169,122</u>
Capital and reserves					
Called up share capital			10,000		10,000
Profit and loss reserves			<u>1,172,397</u>		<u>1,159,122</u>
Total equity			<u>1,182,397</u>		<u>1,169,122</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 18 July 2022 and are signed on its behalf by:

Mr B Ewals
Director

Company Registration No. 02681656

MEGA TRUCKING COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

	Share capital	Profit and loss reserves	Total
Notes	£	£	£
Balance at 1 January 2020	10,000	1,229,572	1,239,572
Year ended 31 December 2020:			
Profit and total comprehensive income for the year	-	129,550	129,550
Dividends	-	(200,000)	(200,000)
Balance at 31 December 2020	10,000	1,159,122	1,169,122
Year ended 31 December 2021:			
Profit and total comprehensive income for the year	-	13,275	13,275
Balance at 31 December 2021	10,000	1,172,397	1,182,397

MEGA TRUCKING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Company information

Mega Trucking Company Limited is a private company limited by shares incorporated in England and Wales. The registered office is Charter Court, Severalls Industrial Park, Stephenson Road, Colchester, Essex, CO4 9QE.

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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Ewals Holdings B.V. These consolidated financial statements are available from the Chamber of Commerce, Venlo, The Netherlands.

MEGA TRUCKING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.2 Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons:

The directors have considered the factors that impact the company's performance, cash flows, and financial position, along with the company's current liquidity in forming their opinion on the going concern basis. The company's activity recovered well from the impact of COVID-19 from Q3 onwards in 2020. The directors expect further growth in 2022.

The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that the company will have sufficient funds to meet its liabilities as they fall due for that period.

These forecasts are dependent on continued trade with the entity's ultimate parent company, Ewals Cargo Care Holdings B.V., with whom over 90% of its trade sits. Ewals Cargo Care Holdings B.V. has indicated its intention to continue to require the services of the entity. If necessary, the company would draw upon financial support that has been indicated by a letter of support received from Ewals Cargo Care Holdings B.V. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

1.3 Turnover

Turnover is wholly attributable to the principal activity of the company after deducting trade discounts and value added tax where appropriate. The company recognises turnover based upon completion of logistics services provided to customers. Turnover is attributable entirely to the United Kingdom.

1.4 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.

1.5 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.

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.

MEGA TRUCKING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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 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.

1.6 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.

1.7 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.

MEGA TRUCKING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.8 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.

1.9 Retirement benefits

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

1.10 Leases

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.

1.11 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.

1.12 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

1.13 Related party transactions

The company is a wholly owned subsidiary of Ewals Cargo Care Transport B.V., the consolidated accounts of which are publicly available. Accordingly, the company has taken advantage of the exemption in FRS 102 from disclosing transactions with other companies wholly owned within the same 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.

MEGA TRUCKING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

3 Employees

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

	2021 Number	2020 Number
Total	95	80

4 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	111,028	56,880
Amounts owed by group undertakings	905,289	1,191,390
Other debtors	410,633	355,899
	1,426,950	1,604,169

5 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	245,281	240,149
Amounts owed to group undertakings	184,193	40,083
Corporation tax	(14,995)	31,058
Other taxation and social security	120,435	75,015
Other creditors	280,550	266,154
	815,464	652,459

6 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Malcolm McGready and the auditor was Ensors Accountants LLP.

MEGA TRUCKING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

7 Operating lease commitments

Lessee

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

2021	2020
£	£
1,720,254	1,898,136

8 Related party transactions

As permitted by FRS 102 paragraph 33 1A, the company has not presented details of related party transactions with other companies that are wholly owned within the group. There were no additional related party transactions to disclose.

9 Parent company

The company's immediate parent company is Ewals Cargo Care Transport BV, Arienstraat 61-63, 5931 HM Tegelen, The Netherlands.

The ultimate controlling party is considered to be Ewals Holdings BV, a company incorporated in the Netherlands. The registered office is Arienstraat 61-63 Tegelen, 5931 HM Netherlands.

The largest and smallest group in which the results of the company are consolidated is that of Ewals Holdings BV. The group financial statements can be obtained from The Chamber of Commerce, Venlo, The Netherlands.

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.