

Registered No: 03291167

LUBBERS (UK) LIMITED

Report and Financial Statements

31 December 2022



LUBBERS (UK) LIMITED

Corporate Information

Directors

A R Tailford
N F Latham
J Gail
R V Paassen
J P Younger

Independent Auditor

Ernst & Young LLP
Citygate
St James' Boulevard
Newcastle upon Tyne
NE1 4JD

Bankers

NatWest Plc
Trinity Gardens
Broadchare
Quayside
Newcastle upon Tyne
NE1 2HF

Solicitors

Muckle LLP
Time Central
32 Gallowgate
Newcastle upon Tyne
NE1 4BF

Registered Office

11 Atley Way
Nelson Industrial Estate
Cramlington
Northumberland
NE23 1WA

LUBBERS (UK) LIMITED

Strategic report

The directors present their strategic report for the year ended 31 December 2022.

Principal activities

The principal activity of the company during the year was road haulage contracting. The trading activity of the company was satisfactory during the year.

Review of the business

The company's key financial and other performance indicators during the year were as follows:

	2022	2021	Change
	£000	£000	%
Turnover	29,011	23,985	20.9
Operating Profit	3,485	3,299	5.6
Profit after Tax	2,889	2,489	16.1
Shareholders' funds	2,889	3,221	(10.3)
Current assets as % of current liabilities ('quick ratio') (%)	117	135	
Average number of employees	94	91	

Turnover increased by 20.9% because of the continued recovery from covid pandemic. We have again made further improvements in both operating and net profit. The directors are looking to continue to make further profits in 2023 and further strengthen our position in the market. Management have assessed that there are no potential income tax consequences as a result of the payment of a dividend.

There was a dividend payment of £3,220,999 (2021: £nil) to Lubbers Transport Group.

The company has considerable financial resources with contracts with a number of customers and suppliers across different geographical areas. As a consequence, the directors believe that the company is well placed to manage its business risks successfully despite the current economic outlook.

Principal risks and uncertainties

The company operates in a very competitive market where service, quality, price and good working relationships with customers are key factors in our success. The directors believe the business is well positioned to provide this combination of values to our customers.

Health and Safety is a critical element of our business philosophy. We actively promote safe working practices with risk assessment through management and employee development being the key to accident prevention.

The company is committed to providing a safe and healthy workplace for all its employees.

LUBBERS (UK) LIMITED

Strategic report

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for that other party by failing to discharge an obligation. Company policies are aimed at minimising such losses and require that deferred terms are only granted to customers who demonstrate an appropriate payment history and satisfy creditor worthiness procedures. The Company continually reviews its receivable position and the credit risk associated with this position. The Directors believe that payment default remains a low risk and have assessed this exposure as acceptable.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The company aims to mitigate liquidity risk by managing cash generated by its operations. The Directors have assessed the liquidity risk as acceptable.

Currency risk

The Company has transactions in currencies other than its functional currency. Transaction exposures arise from the normal trading activities of the Company. The Company also has translation risk on monetary asset and liabilities denominated in currencies other than its functional currency. The Directors have assessed the exposure to currency transaction risk as acceptable.

Interest rate risk

The Company has interest-bearing liabilities resulting from its hire purchase agreements and invoice discounting arrangements (see Note 11 and 12).

As at 31 December 2022, interest-bearing liabilities has a carrying value of £3,634,898 (2021: £2,657,931). The rates of interest are mostly fixed and create less volatility in earnings from period to period, therefore the Directors have assessed this risk as acceptable.

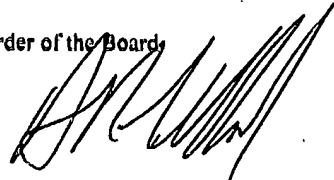
COVID-19

The company has been successful managing its response to the COVID-19 pandemic. The company put procedures in place to allow staff to work from home as well as making offices more covid compliant. We continue to monitor the latest government advice to workplaces.

Ukraine/Russia conflict

In early 2022 the company experienced an increase in fuel, electric and gas costs as a result of the War in Ukraine. We have had discussion with our customers and increased sales prices in certain areas to allow us to mitigate the impact of these additional costs.

By order of the Board


A R Tailford
Director
19th June 2023

LUBBERS (UK) LIMITED

Directors' report

The directors present their report and financial statements for the year ended 31 December 2022.

Directors of the company

The directors who served during the year and up to the date of the approval of the financial statements were as follows:

A R Talford
D H Mulder (resigned 10 January 2023)
N F Latham
J Gall (appointed 2 April 2023)
R V Paassen (appointed 1 February 2023)
J P Younger (appointed 1 February 2023)

Results and dividends

The profit for the year, after taxation, amounted to £2,888,648 (2021: £2,488,652). The directors recommend payment of a dividend of £3,220,999 (2021: £nil).

Going Concern

The directors have considered the company's current and future prospects and its availability of financing, and are satisfied that the company can continue to pay its liabilities as they fall due for a period of least 12 months from the date of these financial statements. In particular, the directors are happy with the way the business has recovered after Covid 19 and sales and profits have surpassed pre-pandemic levels.

The directors have also considered the potential implications of the conflict in Ukraine and wider headwinds in global economies in respect of matters such as price inflation and increases in energy costs. The company is in a position that it can call on reserves from previous years to support the business going forward, if required.

For this reason, the directors continue to adopt the going concern basis of preparation for these financial statements. Accordingly, the financial statements do not include any adjustments to the carrying amount or classification of assets and liabilities that would result if the Company were unable to continue as a going concern.

Future developments

The directors are confident the sales will continue to increase as we continue to keep the costs as low as possible. They are also looking at winning new contracts.

Statement by the directors in performance of their statutory duties in accordance with s172(1) Companies Act 2006.

The board of directors of Lubbers UK Ltd consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172(1)(a-f) of the act) in the decisions taken during the year ended 31 December 2022.

The Company continues to invest in the UK operation and seeks to develop the business in existing and growing markets. We constantly review our operations with the goal of optimising efficiency. We adhere to strong ethical principles and expect our stakeholders to align to these principles.

Employees

The company promotes attractive job opportunities and invests in our personnel via training and support. Lubbers UK Ltd is committed to a diverse workplace. We seek to actively recruit, continually develop and retain talented people from diverse backgrounds and origins.

Health and Safety

A commitment to safety and occupational risk prevention are Lubbers UK's top corporate priorities. Lubbers UK strives to minimise the risks of accidents or illness among its employees through managing a continuous improvement of occupational health and safety.

LUBBERS (UK) LIMITED

Directors' report

Statement by the directors in performance of their statutory duties in accordance with s172(1) Companies Act 2006 (continued).

Customers

Lubbers UK seeks to attract and retain customers by offering a superior service and through fair and honest competition.

Suppliers

Lubbers UK seeks good working relationships with our suppliers and expects them to adhere in full to the values and principles of legal compliance and ethical behaviour.

Community regulators and environment

Lubbers UK aims to contribute to the development and wellbeing of the communities in which we operate, by delivering our services profitably and efficiently. The prevention of pollution is a core management goal and we are committed to the continuous improvement of our environmental behaviour. We promote recycling and we work to comply with regulations governing our industry.

As a board of directors, our intention is to behave responsibly toward our shareholders and treat them fairly and equally, so they will benefit from the successful delivery of our plan.

Employee Involvement

The company operates a framework for employee information and consultation which complies with the requirements of the information and consultation of employees reg 2004. During the year, regular meetings were held between local management and employees to allow a free flow of information and ideas.

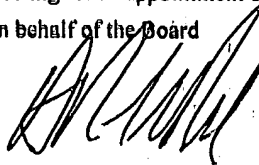
Disclosure of information to the auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Re-appointment of auditor

In accordance with s.485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for re-appointment of Ernst & Young LLP as auditor of the Company.

On behalf of the Board



A R Tallford
Director
19th June 2023

LUBBERS (UK) LIMITED

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

Independent auditors' report to the members of LUBBERS (UK) LIMITED

Audit Opinion

We have audited the financial statements of Lubbers (UK) Limited for the year ended 31 December 2022 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Financial Position and the related notes 1 to 20, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 company's affairs as at 31 December 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 12 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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Independent auditors' report to the members of LUBBERS (UK) LIMITED

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 this 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 there is 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 the 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 the 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 directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Independent auditors' report

to the members of LUBBERS (UK) LIMITED

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 6, 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.

Explanation as to what extent 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, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 102 and the Companies Act 2006) and the relevant direct tax compliance regulations in the United Kingdom. In addition, the Company is required to comply with laws and regulations relating to its operations including general data protection regulations ('GDPR'), Health and Safety Act, the UK Bribery Act, anti-money laundering legislation and employment regulations.
- We understood how the company is complying with those frameworks by making enquiries of management to understand how the company maintains and communicates its policies and procedures in these areas. We corroborated this by reviewing supporting documentation to validate that the company has a process for monitoring legal requirements; and has a process for reporting matters of non-compliance and taking appropriate action.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override and by assessing revenue to be a fraud risk.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved incorporating data analytics into our testing of journals and revenue recognition. Applying our data techniques, we identified the manual journal population deemed most susceptible to fraud (based on our fraud risk criteria) and substantiated these transactions back to supporting documentation. In addition, we tested a sample of revenue transactions back to source documentation including corroborating appropriate authorisation of such transactions.

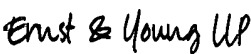
Independent auditors' report

to the members of LUBBERS (UK) LIMITED

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

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.

DocuSigned by:

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Richard Lingwood (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP (Statutory Auditor)
Newcastle upon Tyne

19 June 2023

LUBBERS (UK) LIMITED**Income Statement**
for the year ended 31 December 2022

	Notes	2022 £	2021 £
Turnover	2	29,011,352	23,894,772
Cost of sales		(21,161,985)	(16,880,040)
Gross Profit		<u>7,849,367</u>	<u>7,014,732</u>
Administrative expenses		(4,488,281)	(3,772,498)
Other operating income		123,670	57,095
Operating Profit	3	<u>3,484,756</u>	<u>3,299,329</u>
Profit on disposal of tangible fixed assets		191,905	120,894
Profit before interest & taxation		<u>3,676,661</u>	<u>3,420,223</u>
Interest payable and similar charges	6	(140,864)	(143,815)
Profit before taxation		<u>3,535,797</u>	<u>3,276,408</u>
Tax on profit	7	(647,149)	(787,756)
Profit for the financial year		<u>2,888,648</u>	<u>2,488,652</u>

All of the activities of the company are classed as continuing.

Statement of Comprehensive Income
for the year ended 31 December 2022

There is no comprehensive income other than the profit attributable to the shareholders of the company of £2,888,648 in the year ended 31 December 2022 (2021: £2,488,652).

LUBBERS (UK) LIMITED**Statement of Changes in Equity**
for the year ended 31 December 2022

	<i>Called up share capital</i>	<i>Profit & loss account</i>	<i>Total equity</i>
	£	£	£
At 1 January 2021	2	732,395	732,397
Profit for the year	-	2,488,652	2,488,652
Transactions with owners	-	-	-
Dividends paid during the year	-	-	-
At 31 December 2021	2	3,221,047	3,221,049
Profit for the year	-	2,888,648	2,888,648
Transactions with owners	-	(3,220,999)	(3,220,999)
Dividends paid for the year	-	-	-
At 31 December 2022	2	2,888,696	2,888,698

Approved by the Board of Directors
on 15 March 2023

LUBBERS (UK) LIMITED

Registered No: 03291187

Statement of Financial Position

at 31 December 2022

	Notes	2022 £	2021 £
Fixed assets			
Tangible assets	9	4,207,227	3,815,238
Current assets			
Debtors	10	5,536,859	5,127,822
Cash at bank and in hand		778,544	471,584
		6,315,403	5,599,406
Creditors: amounts falling due within one year	11	(5,400,209)	(4,132,599)
Net current assets		915,194	1,466,807
Total assets less current liabilities		5,122,421	5,282,045
Creditors: amounts falling due after more than one year	12	(1,373,564)	(1,421,089)
Provisions for liabilities and charges	14	(860,159)	(639,907)
Net assets		2,888,698	3,221,049
Capital and reserves			
Called up share capital	15	2	2
Profit and loss account	16	2,888,696	3,221,047
Shareholders' funds		2,888,698	3,221,049

The financial statements were approved by the Board of Directors on 19 June 2023 and signed on their behalf by:


A R Tailford
Director

LUBBERS (UK) LIMITED

Notes to the financial statements

at 31 December 2022

1. Accounting policies

Statement of compliance

Lubbers (UK) Limited is a private limited liability company, limited by shares, incorporated in England. The registered office is 11 Atley Way, Cramlington, NE23 1WA.

The company's financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements of the company for the year ended 31 December 2022.

In these financial statements, the company has applied the exemptions available under FRS 102 in respect of the following disclosures:

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv)
- the requirements of Section 7 Statement of Cash Flows
- the requirements of Section 11 Basic Financial Instruments paragraphs 11.39 to 11.48A
- the requirements of Sections 33.1A and 33.7 Related Party Disclosures

The group in which the results of the Company are consolidated is Lubbers Transport Group B.V.

Consolidated financial statements are available at Klaverakker 1, 7761 RA Schoonebeek, Netherlands.

Going concern

The directors have considered the company's current and future prospects and its availability of financing, and are satisfied that the company can continue to pay its liabilities as they fall due for a period of 12 months from the date of these financial statements are authorised for issue. In particular, the directors are happy with the way the business has recovered after Covid 19 and sales and profits have surpassed pre-pandemic levels.

The directors have also considered the potential implications of the conflict in Ukraine and wider headwinds in global economies in respect of matters such as price inflation and increases in energy costs. The company is in a position that it can call on reserves from previous years to support the business going forward, if required.

For this reason, the directors continue to adopt the going concern basis of preparation for these financial statements. Accordingly, the financial statements do not include any adjustments to the carrying amount or classification of assets and liabilities that would result if the Company were unable to continue as a going concern.

Basis of preparation

The financial statements of Lubbers (UK) Limited have been prepared in accordance with applicable accounting standards. The financial statements are prepared in GBP sterling, which is the functional currency of Lubbers (UK) Limited, and are rounded to the nearest £.

Judgements and key sources of estimation uncertainty

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the balance sheet date, and the amounts reported for revenues and expenses during the period.

Useful economic lives of fixed assets -

Management estimation is required to determine the appropriate asset lives over which to depreciate the Company's tangible fixed assets.

Revenue recognition

Turnover is recognised as goods are delivered and services rendered by the company. Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty.

LUBBERS (UK) LIMITED

Notes to the financial statements

at 31 December 2022

Revenue recognition (continued)

Revenue is recognised when services are physically provided to the customer, usually on delivery, and represents the value of services provided to the extent that there is a right to consideration and is recorded at the value of consideration due.

Other Significant Accounting Policies

Tangible fixed assets

All fixed assets are initially recorded at cost.

Depreciation is provided so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold property	–	over lease term
Plant and machinery	–	10% straight-line basis
Motor vehicles	–	10% to 20% straight-line basis with a 10% residual value
Equipment	–	15% to 30% straight-line basis

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the income statement on a straight-line basis.

Operating lease agreements

Leases where the lessor retains substantially all the risks and rewards of ownership of the asset are classified as operating leases and rentals payable are charged in the income statement on a straight-line basis over the lease term.

Current and Deferred taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exceptions:

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Exceptional Items

The Company classifies certain one-off charges or credits that have a material impact on the Company's financial results as 'exceptional items'. These are disclosed separately to provide further understanding of the financial performance of the Company.

Foreign currencies

Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the income statement.

LUBBERS (UK) LIMITED**Notes to the financial statements**

at 31 December 2022

Pensions

The company contributes to a defined contribution pension scheme, the assets of which are held separately from the company in an independently administered fund. Contributions to the defined contribution pension scheme are taken to income statement in the period in which they become payable.

Short term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

2. Turnover

Turnover represents the amounts derived from the provision of goods and services which fall within the company's ordinary activities after deduction of trade discounts and value added tax. The turnover and profit before tax are attributable to the principal activity of the company.

3. Operating Profit

This is stated after charging/(crediting):

	2022 £	2021 £
Depreciation of owned fixed assets	189,576	140,797
Depreciation of assets held under hire purchase agreements	621,045	635,696
Operating lease rentals – land and buildings	470,000	470,000
Auditor's remuneration	43,100	41,350
Rent receivable	(123,670)	(57,095)
Foreign exchange loss/ (gain)	17,612	(2,505)

4. Directors' remuneration

	2022 £	2021 £
Emoluments	353,550	320,438
Estimated benefits in kind	13,164	11,469
Pension contributions	7,650	7,650
	374,364	339,557

The emoluments (excluding pension contributions) of the highest paid director were £202,993 (2021 : £182,593)

The company contributes to personal pension arrangements for 1 director (2021: 1).

LUBBERS (UK) LIMITED**Notes to the financial statements**

at 31 December 2022

5. Staff costs

	2022	2021
	£	£
Wages and salaries	5,243,114	4,739,096
Social security costs	577,992	480,396
Pension costs	120,038	136,955
	<u>5,941,144</u>	<u>5,356,447</u>

The company operates a defined contribution scheme. The pension cost charge for the period represents contributions payable to the Scheme and amounted to £120,038 (2021: £136,955).

Contributions amounting to £5,930 (2021: £5,315) were payable to the Scheme at year end and are included in accruals and deferred income in Note 11.

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

	No.	No.
Management	3	3
Haulage	91	88
	<u>94</u>	<u>91</u>

6. Interest payable and similar charges

	2022	2021
	£	£
Finance charges under hire purchase contracts	55,853	79,075
Finance charges under short term borrowings	85,011	64,740
	<u>140,864</u>	<u>143,815</u>

LUBBERS (UK) LIMITED**Notes to the financial statements****at 31 December 2022****7. Tax****(a) Tax on profit**

The tax charge is made up as follows:

	2022	2021
	£	£
<i>Current tax:</i>		
UK corporation tax on the profit for the year	446,681	541,426
(Over)/under provision in prior year	(19,784)	-
Total current tax	426,897	541,426
<i>Deferred tax:</i>		
Timing differences, origination and reversal	220,252	246,330
Total deferred tax (note 14)	220,252	246,330
Tax on profit	647,149	787,756

(b) Factors affecting total tax charge for the year

The tax assessed on the profit on ordinary activities for the year is lower (2021: higher) than the standard rate of corporation tax in the UK of 19%. The differences are explained below:

	2022	2021
	£	£
Profit before tax	3,535,797	3,276,408
Profit multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	671,811	622,535
<i>Effects of:</i>		
Expenses not deductible for tax purposes	18,635	11,643
Capital allowances super-deduction	(76,373)	-
Changes in tax charges	-	124,288
Over provision in prior year	52,860	29,290
Prior year adjustments	(19,784)	-
Total tax charge for the year (note 7(a))	647,149	787,756

(c) Factors that may affect future tax charges

In the Spring Budget 2021, the UK Government announced that, from 1 April 2023, the corporation tax rate would increase from 19% to 25%. This new law was substantively enacted on 24 May 2021. Deferred taxes as at the balance sheet date have therefore been measured using these enacted rates and reflected in these financial statements.

LUBBERS (UK) LIMITED

Notes to the financial statements

at 31 December 2022

8. Dividends

Equity dividends

	2022	2021
	£	£
Declared and paid during the year:		
Equity dividends on 'A' shares	3,220,999	-

9. Tangible fixed assets

	Leasehold property £	Plant and machinery £	Motor vehicles £	Equipment £	Total £
Cost:					
At 1 January 2022	324,861	440,973	6,281,608	31,487	7,078,929
Additions	74,642	9,000	1,324,849	6,040	1,414,531
Disposals	-	(4,000)	(1,107,415)	-	(1,111,415)
At 31 December 2022	399,503	445,973	6,499,042	37,527	7,382,045
Depreciation:					
At 1 January 2022	170,551	396,266	2,666,717	30,157	3,263,691
Charge for the year	43,694	20,579	745,106	1,242	810,621
On disposals	-	(1,767)	(897,727)	-	(899,494)
At 31 December 2022	214,245	415,078	2,514,096	31,399	3,174,818
Net book value:					
At 31 December 2022	185,258	30,895	3,984,946	6,128	4,207,227
At 1 January 2022	154,310	44,707	3,614,891	1,330	3,815,238

Hire purchase agreements

Included within the net book value of £4,207,227 is £3,371,145 (2021: £3,226,706) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £621,045 (2021: £635,696).

LUBBERS (UK) LIMITED**Notes to the financial statements****at 31 December 2022****10. Debtors**

	2022	2021
	£	£
Trade debtors	4,994,506	4,745,297
Other debtors	146,873	55,123
Prepayments and accrued income	247,864	271,728
Amounts owed by group undertakings	147,616	55,674
	<u>5,536,859</u>	<u>5,127,822</u>

11. Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	1,989,337	1,647,879
Amounts owed to group undertakings	613,096	498,541
Corporation tax	26,965	238,039
Other taxation and social security	80,752	223,347
Hire purchase agreements (note 13)	952,670	1,007,671
Amounts advanced under invoice discounting arrangements	1,308,664	229,171
Accruals and deferred income	428,725	287,951
	<u>5,400,209</u>	<u>4,132,599</u>

The company's bank facilities are secured by a debenture over all assets of the company and its hire purchase liabilities are secured on the assets to which they relate.

12. Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Hire purchase agreements (note 13)	<u>1,373,564</u>	<u>1,421,089</u>

13. Obligations under hire purchase contracts

	2022	2021
	£	£
Hire purchase agreements are analysed as follows:		
Within 1 year or on demand (note 11)	952,670	1,007,671
Between 2 and 5 years (note 12)	1,373,564	1,421,089
	<u>2,326,234</u>	<u>2,428,760</u>

LUBBERS (UK) LIMITED**Notes to the financial statements****at 31 December 2022****14. Provisions for liabilities and charges**

	2022	2021
	£	£
Deferred tax is provided as follows:		
Opening balance	639,907	393,577
Movement in the year (note 7(a))	220,252	246,330
Closing balance	<u>860,159</u>	<u>639,907</u>
Capital allowances in excess of depreciation	<u>860,159</u>	<u>639,907</u>

15. Issued share capital

		2022		2021
	No.	£	No.	£
<i>Allotted, called up and fully paid</i>				
'A' Shares shares of £0.05 each	20	1	20	1
'B' Shares shares of £0.05 each	2	-	2	-
'C' Shares shares of £0.05 each	18	1	18	1
		<u>2</u>		<u>2</u>

16. Reserves*Profit and loss account*

This records cumulative profit and loss less any dividends paid.

17. Other financial commitments

At 31 December 2022, the company had future minimum rentals payable under non-cancellable operating leases as follows:

	Land & Buildings	
	2022	2021
	£	£
Total amounts payable:		
Within one year	474,583	470,000
In two to five years	1,887,500	2,350,000
In over five years	-	458,750
	<u>2,362,083</u>	<u>3,278,750</u>

LUBBERS (UK) LIMITED**Notes to the financial statements**

at 31 December 2022

18. Related party transactions

The company has not disclosed transactions with other Group companies and key management personnel, as it has taken advantage of the exemption contained within FRS 102.33.1A and FRS 102.33.7 on the grounds that the company is a wholly owned subsidiary.

The company has traded with a director, A R Tailford and his associated undertakings, on an arms length basis during the year as follows:

	<i>Purchases from related party</i>	<i>Amounts owed to related party</i>
	£	£
2021	425,000	-
2022	425,000	-

19. Ultimate parent undertaking and controlling party

The company is wholly owned by Lubbers Transport Group B.V., a company incorporated in the Netherlands. The company's ultimate parent undertaking and controlling party is AAC Capital Benelux Fund III Cooperative W.A. Lubbers Transport Group B.V. is the largest and smallest entity which prepares group financial statements which include the company

Copies of the financial statements of the group are available from the company's registered office.

Klaverakker 2
7761 RA Schoonebeek
Netherlands

20. Financial Instruments

	2022	2021
<i>Financial assets measured at cost:</i>		
Trade and other debtors	5,141,379	4,800,420
<i>Financial liabilities measured at cost:</i>		
Trade and other creditors	1,989,337	1,647,879
Amounts due to group undertakings (net)	465,480	442,867