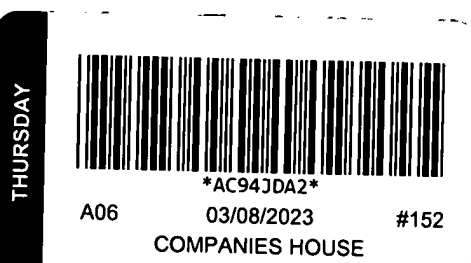


Company registration number 04122590 (England and Wales)

**CARGOBULL FINANCE LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**



# CARGOBULL FINANCE LIMITED

## COMPANY INFORMATION

---

<b>Directors</b>	D Hullis S Trudgeon L Van Den Dungen
<b>Company number</b>	04122590
<b>Registered office</b>	Building 7 Croxley Park Hatters Lane Watford Hertfordshire United Kingdom WD18 8YN
<b>Independent auditors</b>	PricewaterhouseCoopers LLP One Chamberlain Square Birmingham B3 3AX
<b>Business address</b>	Building 7 Croxley Park Hatters Lane Watford Hertfordshire United Kingdom WD18 8YN

---

# CARGOBULL FINANCE LIMITED

## CONTENTS

---

	Page/(s)
Strategic report	1 - 4
Directors' report	5 - 6
Independent auditors' report	7 - 10
Income statement	11
Statement of comprehensive income	12
Statement of financial position	13 - 14
Statement of changes in equity	15
Notes to the financial statements	16 - 33

---

# **CARGOBULL FINANCE LIMITED**

## **STRATEGIC REPORT**

### ***FOR THE YEAR ENDED 31 DECEMBER 2022***

---

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

#### **Review of the business**

##### **Principal activities**

The Company's principal activity for 2022 was the provision of finance for Schmitz Cargobull trailers.

The joint venture with Schmitz Cargobull was terminated with effect from the 31st December 2020. Subsequently in the year 2021 onwards there would be no new business written. This will continue into 2023 and the existing portfolio will continue to be serviced and run down to redemption.

##### **Business review**

The Company's profit for the year was £1,124,000 (2021: £613,000).

#### **Principal risks and uncertainties facing the Company**

##### **Financial risk management**

The Company's operations expose it to a variety of financial risks that include liquidity risk and interest rate risk. The Company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Company by monitoring levels of debt finance and the related finance costs.

In order to ensure stability of cash outflows and hence manage interest rate risk, the Company has a policy of maintaining the majority of this debt at a fixed rate. The Company does not use derivative financial instruments to manage interest rate costs.

##### **Credit risk**

Credit risk management focuses on making balanced decisions on credit applications based on careful assessments such that credit losses from the resulting portfolio are within agreed boundaries. Cargobull Finance Limited seeks to control credit risk by building a diversified portfolio from a market segment and geographical perspective, and closely monitoring payment performance. We do not want to be significantly exposed to a concentration of credit in an industry or single end-user where a default could have a material adverse effect on our results.

##### **Liquidity risk**

The Company actively maintains a mixture of long-term and short-term debt finance that is designed to ensure the Company has sufficient available funds for operations and planned expansions.

##### **Interest rate cash flow risk**

The Company operates a match funding policy so that interest bearing assets are funded by interest bearing liabilities hence minimising exposure to interest rate cash flow risk. The majority of interest bearing assets earn interest at a fixed rate. The Company has a policy of maintaining debt at a fixed rate to ensure certainty of future interest cash flows. The directors will revisit the appropriateness of this policy should the Company's operations change in size or nature.

# CARGOBULL FINANCE LIMITED

## STRATEGIC REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2022**

---

### *Principal risks and uncertainties facing the Company (continued)*

Broader geopolitical and social risks, including invasion by Russia of Ukraine

During the course of the past three years, since the onset of the Covid-19 pandemic, a number of broader risks have evolved and currently present the challenge in the business. These include geopolitical tensions between regions across the world, global supply chain pressures (which have already fuelled inflationary pressures), stretched household finances, and emerging social unrest. These factors are also likely to play into increased localised political risk, including in the UK. The Company is closely following these developments and the potential for any material impacts which may need to be taken into consideration in its future plans and intends to take a coordinated approach with the other members of the Coöperatieve Rabobank U.A. group.

Management will continue to monitor and assess the medium/long term impact of the macroeconomic pressure as the full implications become clear.

### **Section 172(1) Statement**

The Board acknowledges its responsibility under sections 172(1) of the Companies Act 2006 and below sets out the key processes and considerations that demonstrate how the Directors promote the success of the Company. These responsibilities are predominantly carried out via De Lage Landen Leasing Limited (a related company) that overlaps with and therefore forms the basis for Cargobull Finance Limited.

The below statement sets out the requirements of the Act, section 172(1), and note how the Directors discharge their duties.

The Board along with the wider management team meet monthly with papers circulated in advance to allow the Directors to fully understand the performance and position of the Company, alongside matters arising for decision. Each decision that is made by the Directors is supported by papers which analyse the possible outcomes so that an educated decision can be made based upon the likely impact on the wider stakeholder group. Factors (a) to (f) below, are all taken into account during the decision making process.

(a) The likely consequences of any decision in the long term

Supporting each decision, the Board are given access to management papers which set out the potential outcome of decisions. The papers include diligence on the financial impact via forecasts, as well as non-financial factors and how the decision fits with the strategy of the Company.

The Company has a 5-year plan, which is a financial plan supported by a Growth Optimisation Plan, which is reviewed regularly to benchmark performance and achievements against. Strategy is reviewed in detail Away Day and this strategic thinking is intrinsic to future decision making processes. Where appropriate, the Board will delegate responsibility to sub-committee of Senior Managers for areas such as Legal, HR and Compliance.

(b) The interests of the Company's members

The Company does not have any members. However, members of its related company perform services for and on behalf of the Company. The Directors of the related company actively consider the interest of members in all major decisions. People is a regular item at Board meetings where attrition rates, reasons for leaving and members satisfaction are discussed. The related company operates a member's engagement survey twice a year. Feedback and ideas are shared with the Board, which are considered and actions are taken as a result.

# **CARGOBULL FINANCE LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 DECEMBER 2022**

---

#### ***Section 172(1) Statement (continued)***

The related company has a strong benefits package for the members to encourage member's engagement in promoting the success of the related company.

(c) The need to foster the Company's business relationships with suppliers, customers and others

The Directors have identified the stakeholders of the Company and review regularly to ensure adequate communication and engagement is ongoing with group. The review of the stakeholder map, which maps the influence and interest of our stakeholders, is used as a guide with decisions need to be made. The stakeholder map is reviewed at least annually.

One of the Company's stated Strategic Priorities is to be customer centric and is harboured through quality account management and customer service processes. The Company seeks to become an integral part of our vendors overall business strategy and financial plan. It is about managing a long term relationship and developing a strategy that will help them grow their market share and profitability.

In 2022 the related company carried out a survey (including the Company) twice with its partners (net promoter score) and monitored the results closely. Some of the highlights from the results were that a clear majority of the partners stated that they were satisfied or very satisfied with the products, services and support that they receive from the Company. They also cited our partnership focus and the behaviour, knowledge and skills of our people as some of the main reasons they do business with us.

The Company's customers are at the centre of everything it does. To support these businesses we appoint industry specialising Program managers whose responsibility it is to work with these clients ensuring we deliver the services they require. These managers continually work to provide advice and support, helping clients develop their own go to market strategies in the true spirit of partnership. Close communication ensures we are able to constantly adapt to changing circumstances and our global reach means we have the infrastructure to help businesses as they look to expand and grow to new markets.

(d) The impact of the Company's operations on the community and environment

The related company takes its responsibility within the community and wider environment seriously and acknowledge that more has to be done.

The related company looks to engage local communities through charity work. Every year the related company chooses two charities to sponsor, one being local and the other national.

Corporate and social responsibility is considered when reviewing the incoming deals. The Company has a strong ethics base and will reject decisions which goes against their ethically responsibility.

(e) The desirability of the Company maintaining a reputation for high standards of business conduct

The Directors of the Company are committed to high standards of business conduct and governance. The Company has robust internal controls and systems in place which are annually reviewed to ensure the high standards are maintained at all times.

The Directors ensure that the Company's focus for maintaining a reputation for high standards of business conduct is adhered by managing customer's expectations by keeping customer focus and maximising customer value.

# CARGOBULL FINANCE LIMITED

## STRATEGIC REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2022**

---

### *Section 172(1) Statement (continued)*

Where there is a need to seek advice on particular issues, the Board will seek advice from lawyers and nominated advisors to ensure the consideration of business conduct, and its reputation is maintained.

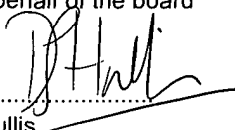
(f) The need to act fairly between members of the Company

The Directors meet regularly with group teams to ensure that the Company is fulfilling all the targets set by group. These targets are monitored by financial performance review, project updates and internal audits.

### **Key performance indicators**

The Board uses certain financial key performance indicators ("KPIs") to monitor and assess the performance of the Company. The principal KPIs are the income statement and the statement of financial position where the analysis is presented on pages 11 and 13-14 respectively.

On behalf of the board



D Hullis

**Director**

10th July 2023

# CARGOBULL FINANCE LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2022

---

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

#### Results and dividends

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

During the year the Company declared and paid interim dividend of £nil (2021: £2,500,000). The directors do not recommend payment of a final dividend (2021: £nil).

#### Directors

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

D Hullis  
S Trudgeon  
L Van Den Dungen

#### Developments

The joint venture with Schmitz Cargobull had terminated with effect from the 31st December 2020 and there would be no new business written thereafter. The existing portfolio will continue to be serviced and run down to redemption.

#### Independent auditors

PricewaterhouseCoopers LLP were appointed as auditors to the Company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

#### Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law, 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 year. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 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.

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.



# **CARGOBULL FINANCE LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

---

### **Statement of disclosure to auditors**

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

### **Going concern**

The directors have the responsibility to assess and report on the prospects of the entity and whether the business is a going concern. In considering this requirement, the directors have taken into account the Company's future cash flows, liquidity, funding requirements and the expected operational activities, including consideration of the potential ongoing impact of the inflationary pressures we are seeing in the economy. The Company is predominantly funded by De Lage Landen International B.V. and the directors have a reasonable expectation that this funding will continue at a level sufficient to enable the Company to meet its obligations as they fall due. Having considered these matters and after making appropriate enquiries, the directors have a reasonable expectation that the Company has adequate resources to remain in operation until at least 12 months after the approval of these Financial Statements. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

### **Principal risks and uncertainties facing the Company**

The principal risks and uncertainties facing the Company are included in the strategic report on page 1 - 2.

On behalf of the board



.....  
D Hullis

**Director**

10th July 2023

# **CARGOBULL FINANCE LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF CARGOBULL FINANCE LIMITED**

---

#### **Report on the audit of the Financial Statements**

##### **Opinion**

In our opinion, Cargobull Finance Limited's financial statements:

- give a true and fair view of the state 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 (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: Statement of financial position as at 31 December 2022; Income statement, Statement of comprehensive income and Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

##### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### **Independence**

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

##### **Conclusions relating to going concern**

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.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

##### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

# **CARGOBULL FINANCE LIMITED**

## **INDEPENDENT AUDITORS' REPORT (CONTINUED)**

### **TO THE MEMBERS OF CARGOBULL FINANCE LIMITED**

---

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

#### ***Strategic Report and Directors' Report***

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

#### **Responsibilities for the financial statements and the audit**

##### ***Responsibilities of the directors for the financial statements***

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

##### ***Auditors' responsibilities for the audit of the financial statements***

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

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

# **CARGOBULL FINANCE LIMITED**

## **INDEPENDENT AUDITORS' REPORT (CONTINUED)**

### **TO THE MEMBERS OF CARGOBULL FINANCE LIMITED**

---

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to any breach of the rules of the Financial Conduct Authority ("FCA") or of UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as The Companies Act 2006 and UK-adopted international accounting standards. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Updating our understanding of the legal and regulatory framework applicable to the company and industry, including discussion with our internal tax specialists;
- Making inquiries with management and those charged with governance in relation to known or suspected instances of non-compliance with laws and regulations and fraud;
- Testing journals using a risk-based approach and evaluating whether there was evidence of bias; and
- Testing significant assumptions and judgements made by management in arriving at key accounting estimates.
- Agreeing the financial statement disclosures to underlying supporting documentation

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### ***Use of this report***

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

#### **Other required reporting**

##### **Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

# **CARGOBULL FINANCE LIMITED**

## **INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF CARGOBULL FINANCE LIMITED**

---

We have no exceptions to report arising from this responsibility.



Nikhil Dhiri (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors

Birmingham  
10 July 2023

# CARGOBULL FINANCE LIMITED

## INCOME STATEMENT

**FOR THE YEAR ENDED 31 DECEMBER 2022**

---

	Note	2022 £'000	2021 £'000
Revenue	4	447	835
Administrative expenses		(369)	(669)
Net impairment write back/(losses) on financial and contract assets		91	(7)
Other operating income		1,167	674
<b>Operating profit</b>	<b>5</b>	<b>1,336</b>	<b>833</b>
Interest receivable and similar income	8	84	4
Interest payable and similar expenses	9	(32)	(136)
<b>Profit before taxation</b>		<b>1,388</b>	<b>701</b>
Tax on profit	10	(264)	(88)
<b>Profit for the financial year</b>		<b>1,124</b>	<b>613</b>

---

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

The notes on pages 16 to 33 are an integral part of these financial statements.

# **CARGOBULL FINANCE LIMITED**

## **STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022**

---

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
<b>Profit for the financial year</b>	<b>1,124</b>	<b>613</b>
	<hr/>	<hr/>
<b>Other comprehensive income for the year</b>	<b>-</b>	<b>-</b>
	<hr/>	<hr/>
<b>Total comprehensive income for the year</b>	<b>1,124</b>	<b>613</b>
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 16 to 33 are an integral part of these financial statements.

# CARGOBULL FINANCE LIMITED

## STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Note	2022 £'000	2021 £'000
<b>Fixed assets</b>			
Tangible assets	12	1,295	1,950
		<u>1,295</u>	<u>1,950</u>
<b>Current assets</b>			
Assets held for resale	14	50	-
Finance lease receivables (includes £319K (2021: £1,105K) amounts falling due after one year)	15	591	2,286
Debtors	16	8,047	5,365
Deferred tax asset (amounts falling due after one year)	21	148	172
Cash at bank and in hand		22	25
		<u>8,858</u>	<u>7,848</u>
<b>Creditors: amounts falling due within one year</b>			
Loans and overdrafts	17	517	131
Trade creditors and other payables	20	331	305
Taxation and social security		90	290
		<u>938</u>	<u>726</u>
<b>Net current assets</b>		<u>7,920</u>	<u>7,122</u>
<b>Total assets less current liabilities</b>		<u>9,215</u>	<u>9,072</u>
<b>Creditors: amounts falling due after more than one year</b>			
Loans and overdrafts	17	680	1,661
<b>Net assets</b>		<u>8,535</u>	<u>7,411</u>
<b>Capital and reserves</b>			
Called up share capital	22	6,600	6,600
Profit and loss account	23	1,935	811
<b>Total equity</b>		<u>8,535</u>	<u>7,411</u>



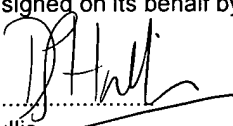
# **CARGOBULL FINANCE LIMITED**

## **STATEMENT OF FINANCIAL POSITION (CONTINUED)**

**AS AT 31 DECEMBER 2022**

---

The financial statements on pages 11 to 33 were approved by the Board of directors on .....10th July 2023  
and signed on its behalf by:

  
.....  
D Hullis  
Director

The notes on pages 16 to 33 are an integral part of these financial statements.

**Company Registration No. 04122590**

# CARGOBULL FINANCE LIMITED

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

---

	Note	Called up share capital £'000	Profit and loss account £'000	Total equity £'000
Balance at 1 January 2021	23	6,600	2,698	9,298
<hr/>				
Year ended 31 December 2021:				
Profit and total comprehensive income for the year		-	613	613
Dividends	11	-	(2,500)	(2,500)
<hr/>				
Balance at 31 December 2021		6,600	811	7,411
<hr/>				
Year ended 31 December 2022:				
Profit and total comprehensive income for the year		-	1,124	1,124
<hr/>				
Balance at 31 December 2022		6,600	1,935	8,535
<hr/> <hr/>				

The notes on pages 16 to 33 are an integral part of these financial statements.

# CARGOBULL FINANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

---

### 1 Accounting policies

#### 1.1 Company information

Cargobull Finance Limited (the "Company") is a private Company limited by shares incorporated in the United Kingdom. The registered office is Building 7, Croxley Park, Watford, Hertfordshire, United Kingdom, WD18 8YN. The company domiciles in the United Kingdom.

#### Accounting convention

The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

The financial statements have been prepared on the historical cost basis and in accordance with the Companies Act 2006. The principal accounting policies adopted are set out below. The accounting policies adopted are the same as in the previous year and have been consistently applied.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to share based payments, presentation of a cash flow statement, presentation of comparative information in respect of certain assets, standards not yet effective, impairment of assets, business combinations, discontinued operations and related party transactions. Specifically, the Company has taken advantage of the following exemptions:

- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations. Equivalent disclosures are included in the consolidated financial statements Coöperatieve Rabobank U.A. in which the entity is consolidated;
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of: (i) paragraph 79(a) (iv) of IAS 1, (ii) paragraph 73(e) of IAS 16 Property Plant and Equipment, (iii) paragraph 118 (e) of IAS 38 Intangible Assets, (iv) paragraphs 76 and 79(d) of IAS 40 Investment Property and (v) paragraph 50 of IAS 41 Agriculture;
- the requirements of paragraphs 10(d), 10(f), 16, 38A to 38D, 39 to 40, and 111 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member ; and
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

Where required, equivalent disclosures are given in the group financial statements of Coöperatieve Rabobank U.A.. The group financial statements of Coöperatieve Rabobank U.A. are available to the public and can be obtained as set out in note 27.

#### 1.2 Going concern

The directors have taken into account the Company's future cash flows, liquidity, funding requirements and the expected operational activities, including consideration of the current economic inflationary pressures. The Company is predominantly funded by De Lage Landen International B.V. and the directors have a reasonable expectation that this funding will continue at a level sufficient to enable the Company to meet its obligations as they fall due. The directors have a reasonable expectation that the Company has adequate resources to continue operating for the foreseeable future. Thus they continue to adopt the going concern basis of accounting for these financial statements.

# CARGOBULL FINANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

---

#### 1 Accounting policies

(Continued)

##### 1.3 Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable from finance leases, operating leases and hire purchase agreements provided in the normal course of business, net of discounts and VAT.

The total gross earnings under finance leases and similar hire purchase contracts, are allocated so as to give a constant periodic rate of return on the Company's net cash investment in the lease.

Rental income (less discounts granted to lessees) from operating leases is recognised on a straight-line basis over the term of the lease.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

##### 1.4 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.

Assets leased out under operating leases, where all of the risks and rewards of ownership are retained by the lessor, are stated at cost less accumulated depreciation and any provisions for impairment.

Depreciation on assets is provided to amortise the cost of the asset to its estimated residual value at the end of its useful economic life.

Operating leases

Straight line method over the life of the lease

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 recognised in the profit and loss account.

##### 1.5 Impairment of tangible and intangible assets

At each reporting 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.

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.

# CARGOBULL FINANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

---

### 1 Accounting policies

(Continued)

#### 1.6 Assets held for resale

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. Assets which are at the end of their lease term and are held by a third party are classified as assets held for resale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

#### 1.7 Fair value measurement

IFRS 13 establishes a single source of guidance for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The Company is exempt under FRS 101 from the disclosure requirements of IFRS 13.

#### 1.8 Cash and cash equivalents

Cash and cash equivalents 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.

#### 1.9 Financial assets

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

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Financial assets are initially measured at fair value plus transaction costs.

At initial recognition, the Company's trade debtors and loans and advances are measured at fair value. The directors have concluded that the Company's trade debtors and loans and other receivables are all held within a business model of "hold to collect" and all contain contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest. As such, all trade debtors and loans and receivables are held at amortised cost. Lease receivables are out of scope of IFRS 9 for classification and measurement purposes and are therefore accounted for under IFRS 16 (see 1.13 Leases).

#### *Impairment of financial assets*

Impairment is the difference between contractual and expected cash flows of a financial asset both discounted to present value using the original implicit rate/ effective interest rate. The Company presents allowance for impairment separately from the gross balance of respective assets rather than directly reducing their carrying amounts. Given the number of uncertainties involved in estimation of allowance for impairment, it is considered by management to be a key estimate in preparation of these financial statements. Where a gap exists between the risks identified and the inputs in the ECL model, or methodology allows us to book a top up adjustment to cover the risk.

IFRS 9 establishes three separate approaches for measuring and recognizing expected credit losses. The Company implement these three-stage expected credit loss impairment models, which involve a significant degree of management judgement. The impairment methodology for advances results in the recognition of allowances measured at an amount equal to 12-month expected credit losses (stage 1); allowances measured at an amount equal to lifetime expected credit losses for financial assets for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets (stage 2); and financial assets that are credit-impaired (stage 3).

# CARGOBULL FINANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

---

### 1 Accounting policies

(Continued)

#### 1.9 Financial assets (continued)

##### *Impairment methodology*

After the Company enters into a lease contract, it conducts continued credit management, closely monitoring payment behaviour, and for larger and/or higher risk exposures, periodically assesses new financial and non-financial information. The Company's credit risk management procedures ascertain whether the customer complies with the agreements made and whether this is expected to continue in the future. If doubts arise, the Company monitors the exposures more frequently and maintains them on a watch list.

The total loan impairment allowance consists of two components:

- Specific allowance for impaired exposures (IFRS 9 stage 3) determined for individually assessed impaired exposures.
- Allowance for not credit-impaired exposures determined as a collective provision for the portion of the portfolio that is not impaired and has a credit risk that either has not increased significantly since origination (stage 1) or has increased significantly since origination (stage 2).

Specific and collective impairments are based on actual portfolio analysis, with considerations of asset/collateral recovery and expected collections to establish the estimated loss on defaulted positions.

The rules governing impairments apply to financial assets at amortized cost, as well as to finance lease receivables, contract assets, trade receivables, certain loan commitments, and financial guarantees. At initial recognition, an allowance is formed for the amount of the expected credit losses from possible defaults in the coming 12 months ('12-Month expected credit loss' (ECL)). If credit risk has increased significantly since origination (but remains non-credit-impaired), an allowance is required for the amount that equals the expected credit losses stemming from possible defaults during the expected lifetime of the financial asset ('Lifetime ECL'). If the financial instrument becomes credit-impaired the allowance will remain at the Lifetime ECL.

Two fundamental drivers of the IFRS 9 impairments requirements are a) the methodology for the measurement of 12-Month and Lifetime Expected Credit Losses and b) the criteria used to determine whether a 12-Month ECL, Lifetime ECL non-credit impaired, or Lifetime ECL credit-impaired should be applied (also referred to as stage determination criteria).

#### a) Methodology to determine expected credit losses

In order to determine ECLs the Company utilizes point-in-time Probability of Default (PD), Loss Given Default (LGD), and Exposure at Default (EAD) models. Three global macroeconomic scenarios are incorporated into these models and probability weighted in order to determine the expected credit losses.

The Company uses internal models to estimate PD, LGD, and EAD parameters as key inputs to its provision calculations. Different modelling methodologies are applied for different portfolios, ranging from statistical models to expert-based models that take into account quantitative and qualitative risk drivers. These models are embedded in the credit approval and internal reporting processes. All models in use at the Company are regularly reviewed and validated, following the model governance framework of the Company, which includes reviews by DLL Group risk committee. Judgemental overlays, where considered appropriate, are applied by Company management.

# CARGOBULL FINANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

---

### 1 Accounting policies

(Continued)

#### **1.9 Financial assets (continued)**

##### **b) Stage determination criteria**

In order to allocate financial instruments in scope between the categories 12-Month ECL (stage 1 performing), Lifetime ECL (stage 2 under-performing), and Lifetime ECL (stage 3 non-performing) a framework of qualitative and quantitative factors has been developed resulting in a classification of financial instruments. The criteria for allocating a financial instrument to stage 3 are fully aligned with the criteria for assigning a defaulted status, for example 90 days past-due status, or if a debtor is likely to become unable to pay its credit obligations without liquidation of the underlying asset or collateral by the Company. In order to allocate financial instruments between stages 1 and 2, the Company uses criteria, such as days-past due status, special asset management status and deterioration of the PD since origination. A backstop is applied and a financial instrument is considered to have experienced a significant increase in credit risk if the borrower is more than 30 days past due on their contractual payment.

For portfolios without individual PDs or with PDs that are not updated on a frequent basis such that an assessment of the change in PD is not possible, a collective assessment on groups of financial instruments with shared credit risk characteristics is made.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

#### **1.10 Financial liabilities**

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities. All of the Company's financial liabilities have been classified as other financial liabilities.

##### **Other financial liabilities**

Other financial liabilities, including borrowings, trade payables and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when, and only when, the Company's obligations are discharged, cancelled, or they expire.

#### **1.11 Equity instruments**

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue 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 income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

# CARGOBULL FINANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

---

#### 1 Accounting policies

(Continued)

##### 1.12 Taxation (continued)

###### Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary 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 income statement, 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.

##### 1.13 Leases

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

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

Rentals payable under operating leases, less any lease incentives received, are charged to income 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 lease asset are consumed.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of leases.

##### 1.14 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.

##### 1.15 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

#### 2 New standards, amendments, IFRIC interpretations and new relevant disclosure requirements

There are no amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2022 that have a material impact on the Company's financial statements.



# CARGOBULL FINANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 3 Critical accounting estimates and judgements

The following judgements have had the most significant effect on the amounts recognised in the financial statements.

#### *Impairment losses*

IFRS 9 requires an impairment allowance for ECLs to be recorded on all financial assets, including finance lease receivables. Key judgments within the impairment accounting policy that have an impact on the level of ECL allowances include;

- Determining the criteria for significant increase in credit risk.
- Choosing appropriate methods and assumptions for the measurement of ECLs. Specifically, a number of assumptions are required such as estimated resale value, current market for equipment, the customer likelihood of paying based on payment history and credit risk and merchandising issues.

### 4 Revenue

An analysis of the Company's revenue which is generated entirely in the United Kingdom is as follows:

	2022 £'000	2021 £'000
Income from operating leases	378	694
Income from finance leases	24	45
Income from hire purchase	45	96
	<u>447</u>	<u>835</u>

	2022 £'000	2021 £'000
United Kingdom	<u>447</u>	<u>835</u>

### 5 Operating profit

	2022 £'000	2021 £'000
Operating profit for the year is stated after (crediting)/charging:		
Exchange (gains) / losses	(1)	24
Fees payable to the Company's auditors for the audit of the Company's financial statements	9	9
Depreciation of property, plant and equipment	<u>340</u>	<u>552</u>

# CARGOBULL FINANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 6 Auditors' remuneration

	2022	2021
	£'000	£'000
<b>Fees payable to the Company's auditors:</b>		
<b>For audit services</b>		
Audit of the Company's financial statements	9	9
	<u>9</u>	<u>9</u>

The auditors did not provide any non-audit services (2021: none).

### 7 Employees

The average monthly number of persons (including directors) employed by the Company during the year was nil (2021: nil).

The directors made no charge for their services (2021: £nil), and their services to the Company are deemed to be provided as part of their services to De Lage Landen Leasing Limited who bear this cost.

The remuneration of the directors are paid by the parent company which makes no recharge to the company. The directors are directors of the parent company and a number of fellow subsidiaries, and it is not possible to make an accurate apportionment of their remuneration in respect of each of the subsidiaries. Accordingly, the above details include no remuneration in respect of the directors. Their total remuneration is included in the aggregate of directors' remuneration disclosed in the financial statements of the parent company.

### 8 Interest receivable and similar income

	2022	2021
	£'000	£'000
<b>Interest income</b>		
Interest receivable from group companies	84	4
	<u>84</u>	<u>4</u>

### 9 Interest payable and similar expenses

	2022	2021
	£'000	£'000
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest payable to group undertakings	2	95
Interest on other loans	30	41
	<u>32</u>	<u>136</u>

# CARGOBULL FINANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 10 Tax on profit

	Continuing operations	
	2022 £'000	2021 £'000
<b>Current tax</b>		
UK Corporation tax on profits for the year	240	104
Adjustments in respect of prior years	-	(12)
	<u>240</u>	<u>92</u>
<b>Deferred tax</b>		
Changes in tax rates	-	(34)
Deferred tax	24	30
	<u>24</u>	<u>(4)</u>
<b>Total tax charge</b>	<u>264</u>	<u>88</u>

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19% as previously enacted). This new law was enacted on 10 June 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements. The deferred tax asset at 31 December 2022 has been calculated using a weighted rate of 24.73%.

The charge for the year can be reconciled to the profit per the income statement as follows:

	2022 £'000	2021 £'000
Profit before taxation	<u>1,388</u>	<u>701</u>
Tax at the UK tax rate of 19.00% (2021: 19.00%)	264	134
Effect of the change in corporation tax rate	-	(34)
Adjustments in respect of prior years	-	(12)
<b>Total tax charge for the year</b>	<u>264</u>	<u>88</u>

# CARGOBULL FINANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 11 Dividends

	2022 per share £	2021 per share £	2022 Total £'000	2021 Total £'000
Amounts recognised as distributions:				
<b>Ordinary shares</b>				
Final dividend paid	-	0.38	-	2,500

#### 12 Tangible assets

	Operating leases £'000
<b>Cost</b>	
At 1 January 2022	3,634
Additions	364
Disposals	(1,555)
At 31 December 2022	2,443
<b>Accumulated depreciation and impairment</b>	
At 1 January 2022	1,684
Charge for the year	340
Eliminated on disposal	(876)
At 31 December 2022	1,148
<b>Carrying amount</b>	
At 31 December 2022	1,295
At 31 December 2021	1,950

The operating leases represent leases of plant and equipment to third parties.

#### 13 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers.

Credit risk is mitigated by having a broad spectrum of customers, pre-acceptance credit checks, active review, and portfolio arrears management.

The credit risk maximum exposure is the carrying value as at the balance sheet date.

No collateral is held in respect of finance lease receivables, although as title to the underlying assets remain with the lessor, these assets would be recoverable in case of default and it is anticipated that the sales proceeds would cover any shortfall in the amounts recovered from the lessee.

# CARGOBULL FINANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 13 Credit risk

(Continued)

The ageing of the impairment provision at the balance sheet date is as follows:

	2022 Gross Impaired £'000	2022 Provision £'000	2021 Gross Impaired £'000	2021 Provision £'000
0-30 days	-	-	364	90
30-120 days	30	5	-	8
More than 120 days	-	-	-	-
	<u>30</u>	<u>5</u>	<u>364</u>	<u>98</u>

The movement in impairment provisions is as follows:

	2022 £'000	2021 £'000
At 1 January	98	114
Movement in provision	(93)	4
Written off	-	(20)
Charge on adoption of IFRS 9	-	-
At 31 December	<u>5</u>	<u>98</u>

The ageing of debt past due at the balance sheet is as follows:

	2022 Past Due £'000	2021 Past Due £'000
0-30 days	24	105
30-120 days	2	26
More than 120 days	-	48
	<u>26</u>	<u>179</u>

The following table shows the split of the year end provision per each stage, including the IFRS 9 impact:

	Stage 1 £'000	Stage 2 £'000	Stage 3 £'000	Total £'000
2022				
Opening balance	4	4	90	98
Charge for the year	(2)	(3)	(88)	(93)
Total	<u>2</u>	<u>1</u>	<u>2</u>	<u>5</u>

# CARGOBULL FINANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 13 Credit risk

(Continued)

Year end 31 December 2021

The following table shows the split of the year end provision per each stage, including the IFRS 9 impact:

	Stage 1 £'000	Stage 2 £'000	Stage 3 £'000	Total £'000
<b>2021</b>				
Opening balance	7	78	29	114
Charge for the year	(1)	(76)	80	3
Stage transfer due to change in credit risk	(2)	2	1	1
Written off	-	-	(20)	(20)
	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>
Total	<u>4</u>	<u>4</u>	<u>90</u>	<u>98</u>

In the following table an overview is given of the significant changes in the gross carrying amount of loans and advances to customers during the year that contributed to changes in the total impairment allowance:

	Stage 1 £'000	Stage 2 £'000	Stage 3 £'000	Total £'000
<b>2022</b>				
Opening balance	1,692	212	397	2,301
Loans and advances derecognised	(1,591)	(179)	(263)	(2,033)
Other Changes	22	336	30	388
	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>
Total	<u>123</u>	<u>369</u>	<u>164</u>	<u>656</u>

Year end 31 December 2021

In the following table an overview is given of the significant changes in the gross carrying amount of loans and advances to customers during the year that contributed to changes in the total impairment allowance:

	Stage 1 £'000	Stage 2 £'000	Stage 3 £'000	Total £'000
<b>2021</b>				
Opening balance	203	644	54	901
New loans and advances originated	1,963	-	-	1,963
Loans and advances derecognised	(474)	(432)	(18)	(924)
Other Changes	-	-	361	361
	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>
Total	<u>1,692</u>	<u>212</u>	<u>397</u>	<u>2,301</u>

### 14 Assets held for resale

	2022 £'000	2021 £'000
Assets held for resale	<u>50</u>	<u>-</u>

# CARGOBULL FINANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 15 Finance lease receivables

	Minimum lease payments		Present value	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Amounts receivable under finance leases:				
Within one year	299	1,265	272	1,181
Between two and five years	328	1,154	319	1,105
	<u>627</u>	<u>2,419</u>	<u>591</u>	<u>2,286</u>
Unearned finance income	(36)	(133)	-	-
	<u>591</u>	<u>2,286</u>	<u>591</u>	<u>2,286</u>

#### Analysis of finance leases

The Company enters into financial leasing arrangements for Schmitz Cargobull trailers covered by finance leasing arrangements. The average term of finance leases entered into is 4.7 years.

The fair value of the financial lease receivables at 31 December 2022 is estimated to be £736,646 (2021: £2,334,000).

#### Determination of fair value

(a) Level 1 – quoted market price: financial instruments with quoted prices for identical instruments in active markets.

(b) Level 2 – valuation technique using observable inputs: financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.

(c) Level 3 – valuation technique using significant unobservable inputs: financial instruments valued using models where one or more significant inputs are unobservable.

For all financial instruments, the fair value is equal to the carrying value in the statement of financial position, except as analysed below. The following table presents the Company's financial assets and liabilities that are measured at fair value at 31 December 2021.

	Carrying value £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000
As at 31 December 2022				
<b>Financial Assets</b>				
Finance lease receivables	<u>591</u>	<u>-</u>	<u>-</u>	<u>591</u>
As at 31 December 2021				
<b>Financial Assets</b>				
Finance lease receivables	<u>2,286</u>	<u>-</u>	<u>-</u>	<u>2,334</u>

The fair value of finance lease receivables is calculated by discounting future minimum lease receivables using appropriate current interest rates.

# CARGOBULL FINANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 16 Debtors

	2022	2021
	£'000	£'000
Trade receivables	45	458
Corporation tax receivable	-	107
Amounts due from fellow group undertakings	8,002	4,800
	<u>8,047</u>	<u>5,365</u>

Trade receivables disclosed above are classified and measured at amortised cost.

### 17 Loans and overdrafts

	2022	2021
	£'000	£'000
Loans from fellow group undertakings	<u>1,197</u>	<u>1,792</u>

The amounts due in respect of loans above are due to De Lage Landen Leasing Limited and bear commercial rates of interest.

#### Analysis of loans and overdrafts

Borrowings are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

	2022	2021
	£'000	£'000
Due within one year liabilities	517	131
Due after one year liabilities	680	1,661
	<u>1,197</u>	<u>1,792</u>

The directors consider that the carrying amounts of financial liabilities carried at amortised cost in the financial statements approximate to their fair values.



# CARGOBULL FINANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 18 Financial Instruments - Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. It is mitigated by having a very active used machinery market, active portfolio management and a rigorous pre-deal credit process. In addition intercompany funding is available to fund any cash shortfalls which arise.

The following is a breakdown of the financial maturities of financial liabilities at the balance sheet date excluding accrued interest.

	2022 £'000	2021 £'000
Payable within one year	848	436
One to two years	676	980
Two to five years	4	680
More than five years	-	-
	<u>1,528</u>	<u>2,096</u>

### 19 Financial Instruments - Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments.

The Company has minimal foreign currency risk as no financial instruments are held in a foreign currency.

The Company is subject to financial and commercial interest rate risks. The Company prefunds a large percentage of predicted new business with fixed rate loans. This then allows the customer interest rate to track the Company's own borrowing costs.

Market risk is not considered to be material to the Company.

### 20 Trade creditors and other payables

	Due within one year	
	2022 £'000	2021 £'000
Trade creditors	34	113
Accruals and deferred income	297	192
	<u>331</u>	<u>305</u>

The directors consider that the carrying amounts of financial liabilities carried at amortised cost in the financial statements approximate to their fair values.

# CARGOBULL FINANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 21 Deferred tax asset

The following are the major deferred tax liabilities and assets recognised by the Company and movements thereon during the current and prior reporting year.

	ACAs £'000	Total £'000
Deferred tax liability at 1 January 2021	-	-
Deferred tax asset at 1 January 2021	168	168
<b>Deferred tax movements in prior year</b>		
Charge to profit or loss	4	4
Deferred tax liability at 1 January 2022	-	-
Deferred tax asset at 1 January 2022	172	172
<b>Deferred tax movements in current year</b>		
Credit to profit or loss	(24)	(24)
Deferred tax liability at 31 December 2022	-	-
Deferred tax asset at 31 December 2022	148	148

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

	2022 £'000	2021 £'000
Deferred tax asset	148	172

### 22 Called up share capital

	2022 £'000	2021 £'000
<b>Issued and fully paid</b>		
6,600,000 (2021:6,600,000) Ordinary shares of £1 each	6,600	6,600

# CARGOBULL FINANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 23 Profit and loss account

	£'000
At 1 January 2021	2,698
Profit for the year	613
Dividends	(2,500)
	<hr/>
At 31 December 2021	811
Profit for the year	1,124
	<hr/>
At 31 December 2022	1,935
	<hr/>

### 24 Fair value of financial assets and liabilities

The Company measures fair values by applying the mark to market yield curve to discount future cashflows of the assets or liabilities. Where fair values are different from carrying amounts, this fact has been disclosed in the relevant notes to the financial statements.

### 25 Capital risk management

The Company is not subject to externally imposed capital requirements and is dependent on Rabobank to provide necessary capital resources which are therefore managed on a group basis. The Company defines capital as total shareholders' equity. It is the Company's objective to maintain a strong capital base to support the development of its business.

There were no changes to the Company's approach to capital management during the year.

### 26 Contingent liabilities

At the balance sheet date there were no contingent liabilities (2021:none).

### 27 Intermediate and ultimate parent company

The immediate holding company is Cargobull Finance Holding B.V, and the ultimate controlling party is Coöperatieve Rabobank U.A..

The smallest group in which the results of the Company are consolidated is that headed by Cargobull Finance Holding B.V. which is incorporated in The Netherlands. The group financial statements of Cargobull Finance Holding B.V. can be obtained from Vestdijk 51, PO Box 652, 5600 AR Eindhoven, The Netherlands.

The largest group in which the results of the company are consolidated is that headed by Coöperatieve Rabobank U.A. trading as Rabobank Nederland and incorporated in The Netherlands. The group financial statements of Rabobank Group, which is also the ultimate parent company, may be obtained from Croeselaan 18, Postbus 17100, 3500 HG Utrecht, The Netherlands.

### 28 Events after the reporting date

There are no events that need disclosing after the reporting date.

# **CARGOBULL FINANCE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)** ***FOR THE YEAR ENDED 31 DECEMBER 2022***

---

### **29 Commitments**

There were no material commitments held at the balance sheet date (2021:none).