

**STRATEGIC REPORT,
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE PERIOD
1 DECEMBER 2022 TO 31 MAY 2023
FOR
IT FLEET AUTOMOTIVE LIMITED**

IT FLEET AUTOMOTIVE LIMITED (REGISTERED NUMBER: 04223523)

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IT FLEET AUTOMOTIVE LIMITED

COMPANY INFORMATION

FOR THE PERIOD 1 DECEMBER 2022 TO 31 MAY 2023

DIRECTORS:

Mr AWJ Timmis
Mrs KB Timmis

SECRETARY:

Mrs KB Timmis

REGISTERED OFFICE:

IT House, Notley Park
Raydon Road
Great Wenham
Colchester
Essex
CO7 6QD

REGISTERED NUMBER:

04223523 (England and Wales)

SENIOR STATUTORY AUDITOR:

Mark Harrison FCA BA (Hons)

AUDITORS:

Mark J Rees LLP Chartered Accountants
Granville Hall
Granville Road
Leicester
Leicestershire
LE1 7RU

IT FLEET AUTOMOTIVE LIMITED (REGISTERED NUMBER: 04223523)

STRATEGIC REPORT FOR THE PERIOD 1 DECEMBER 2022 TO 31 MAY 2023

The directors aim to provide a balanced and comprehensive review of the development and performance of the business during the financial period and its position at the end of the period. The review is consistent with the size and nature of the business and is written in the context of the risks and uncertainties faced.

IT Fleet Automotive are a leading nationwide automotive services provider offering vehicle de-fleet and fulfilment services across the UK automotive industry including major leasing, fleet, remarketing, manufacturer, dealer and finance organisations.

As one of the UK's leading independent automotive service providers, IT Fleet Automotive provide extensive nationwide vehicle logistics, quality vehicle refurbishment and flexible storage services across our diverse customer base backed by a unique management system. Using their extensive industry knowledge, the management team ensure forward thinking solutions are created for an ever-changing industry.

Website address www.itfleet.co.uk

REVIEW OF BUSINESS

The results for the 6 month period and financial position of the company are as shown in the annexed financial statements. The directors are pleased to report the company has achieved a return to profit with an operating profit of £780,226 being achieved in the 6 month period to May 2023.

The directors attribute this performance to several factors, including new contract wins, achieving higher gross profit margins and benefitting from the organisational changes and cost savings implemented in prior periods.

FINANCIAL KEY PERFORMANCE INDICATORS

The directors consider that the key performance indicators are those that communicate the financial performance and strength of the company as a whole, being revenue, operating profit and gross profit margin.

The turnover and operating profit of the company was as follows:

KPI's £	31 May 2023	30 November 2022
Revenue	16,022	26,315
Operating Profit / (Loss)	780	749
Gross Margin	19.0%	12.7%

The increase in revenue and gross profit margin compared to prior year was driven by an increase in revenue across all areas of the business.

PRINCIPAL RISKS AND UNCERTAINTIES

As for many businesses of this size, the business environment in which the company operates continues to be challenging. The company faces competition in its markets from other major suppliers of fleet services, and is of course subject to consumer and commercial spending patterns and the overall level of disposable income within the economy. However, the business continues to mitigate these risks by maintaining a broad customer base and focusing, where possible, on less economically cyclical segments of the market.

With these risks and uncertainties in mind, we are aware that any plans for the future development of the business may be subject to unforeseen events outside of our control. However, we are confident that with all the cost saving initiatives, margin improvement, the Arbuthnot Bank facility and shareholder support, together with our loyal and diverse customer portfolio that is well spread across a number of sectors, the business will continue as a going concern.

IT FLEET AUTOMOTIVE LIMITED (REGISTERED NUMBER: 04223523)

STRATEGIC REPORT FOR THE PERIOD 1 DECEMBER 2022 TO 31 MAY 2023

FUTURE ACTIVITIES

The company remains focused on improving service levels and understanding the changing needs of its customers.

Since the period end the company has continued to replace older transporters with new vehicles and has also increased its fleet size to ensure it can fulfil the increased demand for its logistics services.

The refurbishment side of the business continues to grow as the independent capacity in the market reduces.

ON BEHALF OF THE BOARD:

Mr AWJ Timmis - Director

22 November 2023

IT FLEET AUTOMOTIVE LIMITED (REGISTERED NUMBER: 04223523)

REPORT OF THE DIRECTORS FOR THE PERIOD 1 DECEMBER 2022 TO 31 MAY 2023

The directors present their report with the financial statements of the company for the period 1 December 2022 to 31 May 2023.

DIVIDENDS

No dividends will be distributed for the period ended 31 May 2023.

RESEARCH AND DEVELOPMENT

Research and development activities are undertaken on the company's white labelling IT software.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 December 2022 to the date of this report.

Mr AWJ Timmis

Mrs KB Timmis

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

IT FLEET AUTOMOTIVE LIMITED (REGISTERED NUMBER: 04223523)

**REPORT OF THE DIRECTORS
FOR THE PERIOD 1 DECEMBER 2022 TO 31 MAY 2023**

AUDITORS

The auditors, Mark J Rees LLP Chartered Accountants, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

Mr AWJ Timmis - Director

22 November 2023

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF IT FLEET AUTOMOTIVE LIMITED

Opinion

We have audited the financial statements of IT Fleet Automotive Limited (the 'company') for the period ended 31 May 2023 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2023 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Material uncertainty related to going concern

We draw attention to note 2 in the financial statements, which indicates that the group's current liabilities exceeded its total assets by £3,213,285. As stated in note 2, these events or conditions, along with other matters as set forth in note 2, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. However, as disclosed the ongoing support of the company's finance facilities for a period of 12 months from the date of approval has been obtained. In addition, the directors have confirmed that their loan accounts will not be drawn from the company for a period of at least 12 months from year end. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF IT FLEET AUTOMOTIVE LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where 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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page four, 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 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 a Report of the Auditors 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.

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

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.

We have determined that the principal risk areas where material irregularities could occur were related to posting manual journal entries to manipulate financial performance, revenue recognition and significant one-off or unusual transactions.

Our audit procedures were designed to respond in particular to these identified risks (including non compliance with laws and regulations and fraud).

Our audit procedures included, but were not limited to:

- A review of a sample of orders received in the year to ensure they were correctly recorded in revenue and detailed cut off testing around the year end to ensure revenue is correctly recognised.
- A review of laws and regulations the company is subject to, being specifically health and safety, followed by compliance checks and discussions with management to ensure no instances of non compliance.
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF IT FLEET AUTOMOTIVE LIMITED

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 a Report of the Auditors 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.

Mark Harrison FCA BA (Hons) (Senior Statutory Auditor)
for and on behalf of Mark J Rees LLP Chartered Accountants
Granville Hall
Granville Road
Leicester
Leicestershire
LE1 7RU

28 November 2023

IT FLEET AUTOMOTIVE LIMITED (REGISTERED NUMBER: 04223523)**INCOME STATEMENT
FOR THE PERIOD 1 DECEMBER 2022 TO 31 MAY 2023**

		Period 1.12.22 to 31.5.23 £	Year ended 30.11.22 £
	Notes		
TURNOVER		16,022,159	26,315,459
Cost of sales		<u>12,979,117</u>	<u>22,933,203</u>
GROSS PROFIT		3,043,042	3,382,256
Administrative expenses		<u>2,294,226</u>	<u>4,131,424</u>
		748,816	(749,168)
Other operating income		<u>31,410</u>	<u>-</u>
OPERATING PROFIT/(LOSS)	4	780,226	(749,168)
Interest payable and similar expenses	5	<u>240,688</u>	<u>300,714</u>
PROFIT/(LOSS) BEFORE TAXATION		539,538	(1,049,882)
Tax on profit/(loss)	6	<u>198,803</u>	<u>(186,248)</u>
PROFIT/(LOSS) FOR THE FINANCIAL PERIOD		340,735	(863,634)

The notes form part of these financial statements

IT FLEET AUTOMOTIVE LIMITED (REGISTERED NUMBER: 04223523)

**OTHER COMPREHENSIVE INCOME
FOR THE PERIOD 1 DECEMBER 2022 TO 31 MAY 2023**

	Notes	Period 1.12.22 to 31.5.23 £	Year ended 30.11.22 £
PROFIT/(LOSS) FOR THE PERIOD		340,735	(863,634)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>340,735</u>	<u>(863,634)</u>

The notes form part of these financial statements

IT FLEET AUTOMOTIVE LIMITED (REGISTERED NUMBER: 04223523)**BALANCE SHEET
31 MAY 2023**

		2023		2022	
	Notes	£	£	£	£
FIXED ASSETS					
Intangible assets	7		3,000		3,750
Tangible assets	8		809,405		869,575
Investments	9		-		100
			<u>812,405</u>		<u>873,425</u>
CURRENT ASSETS					
Stocks	10	104,215		87,331	
Debtors	11	6,821,566		5,612,159	
Cash at bank and in hand		<u>343,231</u>		<u>47,724</u>	
		<u>7,269,012</u>		<u>5,747,214</u>	
CREDITORS					
Amounts falling due within one year	12	<u>8,205,233</u>		<u>7,373,329</u>	
NET CURRENT LIABILITIES			<u>(936,221)</u>		<u>(1,626,115)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(123,816)</u>		<u>(752,690)</u>
CREDITORS					
Amounts falling due after more than one year	13		<u>3,089,469</u>		<u>2,801,330</u>
NET LIABILITIES			<u>(3,213,285)</u>		<u>(3,554,020)</u>
CAPITAL AND RESERVES					
Called up share capital	18		178,100		178,100
Retained earnings	19		<u>(3,391,385)</u>		<u>(3,732,120)</u>
SHAREHOLDERS' FUNDS			<u>(3,213,285)</u>		<u>(3,554,020)</u>

The financial statements were approved by the Board of Directors and authorised for issue on 22 November 2023 and were signed on its behalf by:

Mr AWJ Timmis - Director

The notes form part of these financial statements

IT FLEET AUTOMOTIVE LIMITED (REGISTERED NUMBER: 04223523)**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD 1 DECEMBER 2022 TO 31 MAY 2023**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 December 2021	178,100	(2,868,486)	(2,690,386)
Changes in equity			
Total comprehensive income	-	(863,634)	(863,634)
Balance at 30 November 2022	178,100	(3,732,120)	(3,554,020)
Changes in equity			
Total comprehensive income	-	340,735	340,735
Balance at 31 May 2023	178,100	(3,391,385)	(3,213,285)

The notes form part of these financial statements

IT FLEET AUTOMOTIVE LIMITED (REGISTERED NUMBER: 04223523)

CASH FLOW STATEMENT FOR THE PERIOD 1 DECEMBER 2022 TO 31 MAY 2023

		Period 1.12.22 to 31.5.23 £	Year ended 30.11.22 £
	Notes		
Cash flows from operating activities			
Cash generated from operations	1	449,154	(789,234)
Interest paid		(240,009)	(294,955)
Interest element of hire purchase and finance lease rental payments paid		(679)	(5,759)
Tax paid		-	47,844
Net cash from operating activities		<u>208,466</u>	<u>(1,042,104)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(26,872)	(200,691)
Sale of tangible fixed assets		18,721	49,735
Sale of fixed asset investments		100	-
Net cash from investing activities		<u>(8,051)</u>	<u>(150,956)</u>
Cash flows from financing activities			
New loans in year		-	1,007,397
Loan repayments in year		(399,996)	(399,996)
Capital repayments in year		(11,842)	(19,683)
Amount introduced by directors		589,551	1,113,294
Amount withdrawn by directors		(90,575)	(600,787)
Net cash from financing activities		<u>87,138</u>	<u>1,100,225</u>
Increase/(decrease) in cash and cash equivalents		<u>287,553</u>	<u>(92,835)</u>
Cash and cash equivalents at beginning of period	2	<u>47,724</u>	<u>140,559</u>
Cash and cash equivalents at end of period	2	<u><u>335,277</u></u>	<u><u>47,724</u></u>

The notes form part of these financial statements

IT FLEET AUTOMOTIVE LIMITED (REGISTERED NUMBER: 04223523)

NOTES TO THE CASH FLOW STATEMENT FOR THE PERIOD 1 DECEMBER 2022 TO 31 MAY 2023

1. RECONCILIATION OF PROFIT/(LOSS) BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	Period 1.12.22 to 31.5.23 £	Year ended 30.11.22 £
Profit/(loss) before taxation	539,538	(1,049,882)
Depreciation charges	73,393	189,978
(Profit)/loss on disposal of fixed assets	(4,528)	56,081
Finance costs	240,688	300,714
	<u>849,091</u>	<u>(503,109)</u>
Increase in stocks	(16,884)	(5,020)
Increase in trade and other debtors	(1,210,148)	(1,139,486)
Increase in trade and other creditors	827,095	858,381
Cash generated from operations	<u>449,154</u>	<u>(789,234)</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Period ended 31 May 2023

	31.5.23 £	1.12.22 £
Cash and cash equivalents	343,231	47,724
Bank overdrafts	(7,954)	-
	<u>335,277</u>	<u>47,724</u>

Year ended 30 November 2022

	30.11.22 £	1.12.21 £
Cash and cash equivalents	47,724	140,559

IT FLEET AUTOMOTIVE LIMITED (REGISTERED NUMBER: 04223523)**NOTES TO THE CASH FLOW STATEMENT
FOR THE PERIOD 1 DECEMBER 2022 TO 31 MAY 2023**

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.12.22	Cash flow	At 31.5.23
	£	£	£
Net cash			
Cash at bank and in hand	47,724	295,507	343,231
Bank overdrafts	-	(7,954)	(7,954)
	<u>47,724</u>	<u>287,553</u>	<u>335,277</u>
Debt			
Hire purchase and finance leases	(21,378)	11,842	(9,536)
Debts falling due within 1 year	(399,996)	-	(399,996)
Debts falling due after 1 year	(2,185,012)	202,110	(1,982,902)
	<u>(2,606,386)</u>	<u>213,952</u>	<u>(2,392,434)</u>
Total	<u>(2,558,662)</u>	<u>501,505</u>	<u>(2,057,157)</u>

The notes form part of these financial statements

IT FLEET AUTOMOTIVE LIMITED (REGISTERED NUMBER: 04223523)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 DECEMBER 2022 TO 31 MAY 2023

1. COMPANY INFORMATION

IT Fleet Automotive Limited is a private limited company (registered number: 04223523) which is incorporated and domiciled in the United Kingdom. The address of its registered office is IT House, Notley Park, Raydon Road, Great Wenham, Colchester, Essex, CO7 6QD, United Kingdom.

The principal activities of IT Fleet Automotive Limited consist of providing transport, appraisal and refurbishment services within the motor industry.

The presentation currency of the financial statements is in pound sterling (£).

The company has shortened its financial period to 6 months therefore comparatives are not comparable.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Significant judgements and estimates

In preparing the financial statements, management is required to exercise judgement in making estimates and assumptions that affect reported amounts and disclosures. These judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from those estimates and assumptions. The following accounting policies have been identified as being particularly sensitive to complex or subjective judgements or estimates:

Performance and revenue recognition for work in progress

The company derives a significant proportion of its revenue from the supply of refurbishment of vehicles. The amount invoiced is agreed prior to the work being carried out. Where the outcome can be estimated reliably, refurbishment revenue is recognised to the extent that the services have been performed. Performance is measured based on the stage of completion. Management judgement and experience is required to determine the completeness of those forecasts, the recoverability of the costs incurred and the revenue recognised on jobs in progress.

Turnover

Turnover represents net invoiced sales of goods and services, excluding value added tax.

Turnover in respect of vehicle transport is recognised at the point vehicles are delivered.

Turnover in respect of vehicle refurbishment is recognised based on the stage of completion. Adjustments are made for refurbishment work undertaken which is not invoiced at the year end. Invoiced sales for work completed after the year end are adjusted as deferred income according to the stage of completion.

Turnover in respect of vehicle storage charges are recognised over the storage period. Storage administration charges are recognised at the start of the storage period.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2006, is being amortised evenly over its estimated useful life. The remaining estimated useful life as at the year-end is two years.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 DECEMBER 2022 TO 31 MAY 2023**

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Short leasehold	- 10% straight line and equal instalments over the lease period
Plant and machinery	- 15% on reducing balance
Fixtures and fittings	- 15% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 15% on reducing balance

Depreciation is provided from the month of acquisition.

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

Taxation for the period comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 DECEMBER 2022 TO 31 MAY 2023**

2. ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Debtors

Short term debtors are measured at fair value and subsequently at amortised cost.

Loans receivable and long term debtors are measured initially at fair value, net of transaction costs, and are measured subsequently, where material, at amortised cost using the effective interest method, less any impairment.

Creditors

Short term creditors are measured at fair value and subsequently at amortised cost.

Other financial liabilities, including bank loans are measured initially at fair value, net of transaction costs, and are measured subsequently, where material, at amortised cost using the effective interest method, less any impairment.

Going concern

At the year end the company's liabilities exceeded its assets by £3,213,285.

The company depends on its finance facilities and creditors to meet its day to day working capital requirements. The company's finance providers have confirmed their continued support for a minimum of 12 months from the approval of these financial statements.

The company has made use of government support packages available, access to a CBIL loan and RLS Loan.

Due to the current climate and the above there is a material uncertainty relating to going concern.

The directors consider that the facilities being offered by the finance providers along with the measures taken to control costs are sufficient to provide adequate resources to support the going concern basis of accounting in preparing the financial statements.

IT FLEET AUTOMOTIVE LIMITED (REGISTERED NUMBER: 04223523)**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 DECEMBER 2022 TO 31 MAY 2023****3. EMPLOYEES AND DIRECTORS**

	Period 1.12.22 to 31.5.23 £	Year ended 30.11.22 £
Wages and salaries	3,874,317	5,949,728
Social security costs	220,224	634,569
Other pension costs	118,336	198,688
	<u>4,212,877</u>	<u>6,782,985</u>

The average number of employees during the period was as follows:

	Period 1.12.22 to 31.5.23	Year ended 30.11.22
Administration staff	32	30
Production staff	183	153
	<u>215</u>	<u>183</u>

	Period 1.12.22 to 31.5.23 £	Year ended 30.11.22 £
Directors' remuneration	<u>180,518</u>	<u>373,053</u>

4. OPERATING PROFIT/(LOSS)

The operating profit (2022 - operating loss) is stated after charging/(crediting):

	Period 1.12.22 to 31.5.23 £	Year ended 30.11.22 £
Hire of plant and machinery	19,563	58,555
Depreciation - owned assets	72,644	188,477
(Profit)/loss on disposal of fixed assets	(4,528)	56,081
Goodwill amortisation	750	1,500
Auditors remuneration	<u>10,850</u>	<u>11,000</u>

IT FLEET AUTOMOTIVE LIMITED (REGISTERED NUMBER: 04223523)**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 DECEMBER 2022 TO 31 MAY 2023****5. INTEREST PAYABLE AND SIMILAR EXPENSES**

	Period 1.12.22 to 31.5.23 £	Year ended 30.11.22 £
Bank interest	140,947	187,351
Factoring interest	84,750	85,165
Other interest	14,312	22,439
Hire purchase	679	5,759
	<u>240,688</u>	<u>300,714</u>

6. TAXATION**Analysis of the tax charge/(credit)**

The tax charge/(credit) on the profit for the period was as follows:

	Period 1.12.22 to 31.5.23 £	Year ended 30.11.22 £
Deferred taxation	198,803	(186,248)
Tax on profit/(loss)	<u>198,803</u>	<u>(186,248)</u>

UK corporation tax has been charged at 25% (2022 - 19%).

Reconciliation of total tax charge/(credit) included in profit and loss

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	Period 1.12.22 to 31.5.23 £	Year ended 30.11.22 £
Profit/(loss) before tax	<u>539,538</u>	<u>(1,049,882)</u>
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 25% (2022 - 19%)	134,885	(199,478)
Effects of:		
Expenses not deductible for tax purposes	84,961	81,206
Depreciation in excess of capital allowances enhanced expenditure respect of previous periods year	45,105	55,764
Provision of losses carried forward	<u>(66,148)</u>	<u>(123,740)</u>
Total tax charge/(credit)	<u>198,803</u>	<u>(186,248)</u>

IT FLEET AUTOMOTIVE LIMITED (REGISTERED NUMBER: 04223523)

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE PERIOD 1 DECEMBER 2022 TO 31 MAY 2023

7. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 December 2022	
and 31 May 2023	<u>30,000</u>
AMORTISATION	
At 1 December 2022	26,250
Amortisation for period	<u>750</u>
At 31 May 2023	<u>27,000</u>
NET BOOK VALUE	
At 31 May 2023	<u>3,000</u>
At 30 November 2022	<u>3,750</u>

8. TANGIBLE FIXED ASSETS

	Short leasehold £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 December 2022	640,388	742,618	67,879
Additions	9,500	6,721	5,026
Disposals	-	(13,769)	(3,212)
At 31 May 2023	<u>649,888</u>	<u>735,570</u>	<u>69,693</u>
DEPRECIATION			
At 1 December 2022	559,935	574,509	33,356
Charge for period	8,736	12,551	2,768
Eliminated on disposal	-	(10,075)	(1,794)
At 31 May 2023	<u>568,671</u>	<u>576,985</u>	<u>34,330</u>
NET BOOK VALUE			
At 31 May 2023	<u>81,217</u>	<u>158,585</u>	<u>35,363</u>
At 30 November 2022	<u>80,453</u>	<u>168,109</u>	<u>34,523</u>

IT FLEET AUTOMOTIVE LIMITED (REGISTERED NUMBER: 04223523)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 DECEMBER 2022 TO 31 MAY 2023**

8. TANGIBLE FIXED ASSETS - continued

	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 December 2022	177,555	1,115,957	2,744,397
Additions	5,625	-	26,872
Disposals	(14,150)	-	(31,131)
At 31 May 2023	<u>169,030</u>	<u>1,115,957</u>	<u>2,740,138</u>
DEPRECIATION			
At 1 December 2022	46,573	660,449	1,874,822
Charge for period	15,476	33,113	72,644
Eliminated on disposal	(4,864)	-	(16,733)
At 31 May 2023	<u>57,185</u>	<u>693,562</u>	<u>1,930,733</u>
NET BOOK VALUE			
At 31 May 2023	<u>111,845</u>	<u>422,395</u>	<u>809,405</u>
At 30 November 2022	<u>130,982</u>	<u>455,508</u>	<u>869,575</u>

9. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 December 2022	100
Disposals	(100)
At 31 May 2023	-
NET BOOK VALUE	
At 31 May 2023	-
At 30 November 2022	100

IT FLEET AUTOMOTIVE LIMITED (REGISTERED NUMBER: 04223523)**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 DECEMBER 2022 TO 31 MAY 2023****9. FIXED ASSET INVESTMENTS - continued**

The company's investments at the Balance Sheet date in the share capital of companies include the following:

IT Fleet Automotive Scotland Limited

Registered office: 3 Guardwell Crescent, Edinburgh, EH17 7JA

Nature of business: Fleet services

Class of shares:	% holding	2023	2022
Ordinary shares	100.00	£	£
Aggregate capital and reserves		-	410
Loss for the period/year		-	(35)

IT Fleet Automotive Scotland Limited was dissolved in January 2023.

10. STOCKS

	2023	2022
	£	£
Stocks	<u>104,215</u>	<u>87,331</u>

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Trade debtors	3,887,566	3,168,453
Bad debt provision	(24,838)	(18,526)
Amounts owed by group undertakings	-	544
Other debtors	238,891	140,578
Taxation	33,422	33,422
Deferred tax asset	196,381	395,184
Prepayments and accrued income	<u>2,490,144</u>	<u>1,892,504</u>
	<u>6,821,566</u>	<u>5,612,159</u>

Deferred tax asset

	2023	2022
	£	£
Accelerated capital allowances	(177,070)	(117,892)
Tax losses carried forward	<u>373,451</u>	<u>513,076</u>
	<u>196,381</u>	<u>395,184</u>

Included within trade debtors at the year end are invoice financed debts amounting to £3,887,566 (30.11.2022: £2,899,747).

IT FLEET AUTOMOTIVE LIMITED (REGISTERED NUMBER: 04223523)**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 DECEMBER 2022 TO 31 MAY 2023****12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2023	2022
	£	£
Bank loans and overdrafts (see note 14)	7,954	-
Other loans (see note 14)	399,996	399,996
Hire purchase contracts and finance leases (see note 15)	2,732	5,847
Trade creditors	2,820,376	2,613,336
Social security and other taxes	281,724	174,812
VAT	495,999	572,509
Other creditors	3,725,934	3,173,263
Accruals and deferred income	470,518	433,566
	<u>8,205,233</u>	<u>7,373,329</u>

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2023	2022
	£	£
Other loans (see note 14)	1,982,902	2,185,012
Hire purchase contracts and finance leases (see note 15)	6,804	15,531
Directors' loan accounts	1,099,763	600,787
	<u>3,089,469</u>	<u>2,801,330</u>

14. LOANS

An analysis of the maturity of loans is given below:

	2023	2022
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	7,954	-
Other loans	399,996	399,996
	<u>407,950</u>	<u>399,996</u>
Amounts falling due between two and five years:		
Other loans	<u>1,982,902</u>	<u>2,185,012</u>

IT FLEET AUTOMOTIVE LIMITED (REGISTERED NUMBER: 04223523)**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 DECEMBER 2022 TO 31 MAY 2023****15. LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

	Hire purchase contracts		Finance leases	
	2023	2022	2023	2022
	£	£	£	£
Net obligations repayable:				
Within one year	2,732	4,646	-	1,201
Between one and five years	6,804	15,531	-	-
	<u>9,536</u>	<u>20,177</u>	<u>-</u>	<u>1,201</u>
			Non-cancellable	operating leases
			2023	2022
			£	£
Within one year			<u>80,128</u>	<u>193,532</u>

16. SECURED DEBTS

The following secured debts are included within creditors:

	2023	2022
	£	£
Hire purchase contracts and finance leases	9,536	21,378
Other creditors	3,394,315	2,719,127
	<u>3,403,851</u>	<u>2,740,505</u>

Within other creditors there is a balance of £3,394,315 (30.11.2022: £2,719,127) owed to Arbuthnot Commercial Asset Based Lending Limited which is secured by way of a fixed and floating charge over the assets of the company. Not all trade debtors are subject to invoice financing, an advance is provided by Arbuthnot Commercial Asset Based Lending Limited on those debts that are financed.

Hire purchase contracts are secured on the assets to which they relate.

Included within bank loans is a CBIL Loan with the balance outstanding of £1,378,334 (30.11.2022: £1,577,610) and RLS Loan with a balance outstanding of £1,004,564 (30.11.2022: £1,007,397).

17. DEFERRED TAX

	£
Balance at 1 December 2022	(395,184)
Movement for year	198,803
Balance at 31 May 2023	<u>(196,381)</u>

IT FLEET AUTOMOTIVE LIMITED (REGISTERED NUMBER: 04223523)**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 DECEMBER 2022 TO 31 MAY 2023****18. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value: £1	2023 £ <u>178,100</u>	2022 £ <u>178,100</u>
178,100	Ordinary			

19. RESERVES

	Retained earnings £
At 1 December 2022	(3,732,120)
Profit for the period	340,735
At 31 May 2023	<u>(3,391,385)</u>

20. PENSION COMMITMENTS

The company operates a defined contribution pension scheme for the benefit of employees. The assets of the scheme are administered by trustees in a fund independent from those of the company.

The total employer contributions paid in the period amounted to £118,336 (30.11.2022: £198,688).

Amounts owed to the scheme at 31 May 2023 amounted to £30,145 (30.11.2022: £32,500).

21. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

Including within other creditors is £1,099,763 (30.11.2022: £600,787) owed to the directors at 31 May 2023.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 DECEMBER 2022 TO 31 MAY 2023**

22. RELATED PARTY DISCLOSURES

During the period, the company was charged rent in the normal course of business from IT Fleet Solutions Limited totalling £75,900 (30.11.2022: £126,500). At 31 May 2023, the company was owed £41,359 (30.11.2022: £41,260) from IT Fleet Solutions Limited.

Amounts owed to IT Fleet Logistics Limited at the period end amounted to £31,233 (30.11.2022: £59,734 owed by).

During the period the company invoiced goods and services in the normal course of business to The Fleet Auction Group Limited amounting to £107,590 (30.11.2022: £1,452,424). The company also purchased goods and services in the normal course of business from The Fleet Auction Group Limited of £321,832 (30.11.2022: £1,655,049). The balance owed by The Fleet Auction Group Limited to the company at 31 May 2023 amounted to £14,351 (30.11.2022: £543,169). The balance owed to The Fleet Auction Group Limited by the company at 31 May 2023 amounted to £486,891 (30.11.2022: £nil)

Mr AWJ Timmis, director, is also a director and shareholder of the above related parties.

Mr AWJ Timmis and Mrs K Timmis have provided a personal guarantee of £500,000 to Arbuthnot Asset Based Lending Limited in respect of the company's invoice financing agreement.

The company has provided a cross client guarantee to Arbuthnot Asset Based Lending Limited in respect of IT Fleet Automotive Scotland Limited, IT Fleet Logistics Limited, Fleet Automotive Holdings Limited and IT Fleet Solutions Limited.

23. ULTIMATE CONTROLLING PARTY

Mr and Mrs AWJ Timmis are considered to be the controlling party of the company by virtue of their directorship and shareholding.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.