

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022
FOR
WARD THOMAS REMOVALS LIMITED**

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FOR THE YEAR ENDED 30 SEPTEMBER 2022

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WARD THOMAS REMOVALS LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 30 SEPTEMBER 2022

DIRECTORS:	A Ward Thomas C A S Rickards C Parry T Bloch
SECRETARY:	J Kok
REGISTERED OFFICE:	141 Acton Lane London NW10 7PB
REGISTERED NUMBER:	05167541 (England and Wales)
AUDITORS:	Fawcetts LLP Chartered Accountants and Statutory Auditors Windover House St. Ann Street Salisbury SP1 2DR

STRATEGIC REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2022

The directors present their strategic report for the year ended 30 September 2022.

REVIEW OF BUSINESS

Although the year ended 30 September 2022 was the first year since 2019 without any significant impact from the Coronavirus pandemic, global economic uncertainties and the interest rate rises in the last few months of the year, meant that the company had to deal with a difficult trading environment. However, despite the negative impacts on the economy, the company has seen significant growth in turnover and maintained a high level of profitability, especially from its specialist logistics and installation division, Bishopsgate. The company also has a high level of ongoing storage revenue. Overall the company remains in a strong and stable position with significant cash reserves and no bank loans.

The directors and management continue to monitor operational and overhead costs to identify opportunities for cost cutting measures whilst maintaining the company's high standards of customer service.

In the context of the Key Performance Indicators mentioned below, when taking into account the impact of the pandemic, the directors are satisfied with the company's performance in the financial year.

Key performance indicators

	2022	2021
Turnover	£30,636,527	£27,076,733
Gross profit %	46.0%	48.3%
EBITDA %	23.7%	26.1%
Profit before tax %	17.9%	22.2%

The directors assess the performance of the business by reference to two main measurements seeking to achieve an EBITDA of 15% and a PBIT of 10%. The board regularly meet to consider management accounts and to compare actual results to the stated financial objectives and budgets.

Health and safety, employees and environment

The company aims to identify, assess and control occupational health hazards and, where practicable, to eliminate work related diseases. Every new case of an occupational disease is reported.

The directors believe that every work-related incident, illness and injury is preventable. Every new case of a work related injury is reported to the board, including outcomes of and corrective action resulting from regular Health and Safety inspections.

PRINCIPAL RISKS AND UNCERTAINTIES

The directors consider the main financial risks to the business as being the volatility in the commercial and residential property market resulting from interest rate movements. The group seeks to limit these business risks by offering on-site storage facilities to generate recurring income and by diversifying into other areas such as value-added distribution services.

STRATEGIC REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2022

SECTION 172(1) STATEMENT

The Directors of the Company have complied with their duty to promote the success of the company for the benefits of its stakeholders whilst having regard to the matters set out in Section 172 (1) (a)-(f) of the Companies Act 2006. The Directors have done this in various ways which are listed below:

Stakeholder Engagement

The Directors consider the key stakeholders to be customers, suppliers, staff, and shareholders. The Company through its directors and senior management teams engages with each stakeholder on a regular basis at the appropriate level of frequency depending upon their specific requirements.

Principle decisions

Principle decisions are defined as those that are material to the company and also to the above stakeholder groups. During the year, the company has taken a number of operational and strategic decisions which the Directors consider are for the benefit of the Company, with a view to promoting its long-term success and sustainability.

Engaging with suppliers, customers, staff, shareholders and others

During the financial year, the Directors and Senior Management teams have endeavoured to foster the company's mutually beneficial business relationships with stakeholders with the company. This was achieved through positive interactions during meetings both virtual and physical, written communications and telephone calls.

The Company has many different suppliers. The Directors ensure that the company acts responsibly when sourcing commodities and services from suppliers. Our suppliers are critical partners in the company's commitment to deliver high levels of service to our customers and a competitive price which reflects the level of service we provide.

The company takes pride in paying its suppliers and taxes in a timely manner.

The company also takes pride in paying its staff well and normally above market rates as it wants the best people and understands the benefits of having a very high employee retention rate. The company will continue to involve many members of staff in the equity structure of the company as it understands the importance of the sense of shared ownership amongst its participants.

EMPLOYEES

Arrangements exist to ensure employee involvement in matters of concern to them and also to provide employees with all relevant information.

It is the company's policy that people with disabilities should have the same consideration as others with respect to recruitment, retention and personal development. Depending on their skills and abilities, they enjoy the same career prospects as other employees and the same scope for realising potential.

FUTURE DEVELOPMENTS

The company is continuing to perform well and is seeing organic growth leading to both turnover and profit exceeding budgeted levels.

ON BEHALF OF THE BOARD:

C A S Rickards - Director

28 June 2023

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

The directors present their report with the financial statements of the company for the year ended 30 September 2022.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of specialist moving, distribution, warehousing, removals and storage.

DIVIDENDS

No interim dividends were paid during the year and the directors recommend that no final dividend be paid.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 October 2021 to the date of this report.

A Ward Thomas
C A S Rickards
C Parry
T Bloch

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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

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 ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

AUDITORS

The auditors, Fawcetts LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

C A S Rickards - Director

28 June 2023

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
WARD THOMAS REMOVALS LIMITED**

Opinion

We have audited the financial statements of Ward Thomas Removals Limited (the 'company') for the year ended 30 September 2022 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 30 September 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
WARD THOMAS REMOVALS LIMITED**

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.

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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF WARD THOMAS REMOVALS LIMITED

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:

Identifying and assessing potential risks related to irregularities and fraud

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations we consider the following:

- the nature of the industry/sector, control environment and financial performance;
results of our enquiries of management about their own identification and assessment of the risk of
- irregularities;
- any matters we identified having obtained and reviewed the company's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following area: revenue and profit recognition. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We have also obtained an understanding of the legal and regulatory frameworks that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act and tax legislation.

Audit response to risk identified

As a result of performing the above, we identified revenue and profit recognition, stock valuation, estimation techniques and management override of controls as key matters related to the potential risk of fraud or material misstatement. Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- performing substantive procedures to ascertain the completeness, existence, valuation and, rights and obligations of stocks as at the year-end;
- understanding the entity's revenue recognition policies and how they are applied, including the relevant controls and processes and performing a walk-through to validate our understanding;
- performing analytical procedures to compare revenue recognised against expectations, past results, and management forecasts, and investigated material divergences by obtaining corroborative evidence;
- reading minutes of meetings of those charged with governance and reviewing any correspondence with HMRC; and

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
WARD THOMAS REMOVALS LIMITED**

-
in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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.

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.

Simon Ellingham FCA (Senior Statutory Auditor)
for and on behalf of Fawcetts LLP
Chartered Accountants
and Statutory Auditors
Windover House
St. Ann Street
Salisbury
SP1 2DR

28 June 2023

INCOME STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Notes	2022 £	2021 £
TURNOVER		30,636,527	27,076,733
Cost of sales		16,543,488	13,985,687
GROSS PROFIT		14,093,039	13,091,046
Administrative expenses		8,019,243	7,087,662
		6,073,796	6,003,384
Other operating income		-	33,776
OPERATING PROFIT		6,073,796	6,037,160
Exceptional items	4	-	3,542
		6,073,796	6,033,618
Interest receivable and similar income		2,455	2,466
		6,076,251	6,036,084
Amounts written off investments	5	555,570	-
		5,520,681	6,036,084
Interest payable and similar expenses	6	34,551	26,003
PROFIT BEFORE TAXATION	7	5,486,130	6,010,081
Tax on profit	8	1,063,475	993,873
PROFIT FOR THE FINANCIAL YEAR		4,422,655	5,016,208

The notes form part of these financial statements

OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Notes	2022 £	2021 £
PROFIT FOR THE YEAR		4,422,655	5,016,208
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>4,422,655</u>	<u>5,016,208</u>

The notes form part of these financial statements

BALANCE SHEET
30 SEPTEMBER 2022

	Notes	2022 £	£	2021 £	£
FIXED ASSETS					
Intangible assets	10		358,368		501,660
Tangible assets	11		3,501,768		3,081,267
Investments	12		236,713		792,283
			<u>4,096,849</u>		<u>4,375,210</u>
CURRENT ASSETS					
Debtors	13	25,603,046		21,155,515	
Cash at bank		<u>1,912,205</u>		<u>1,995,128</u>	
		27,515,251		23,150,643	
CREDITORS					
Amounts falling due within one year	14	<u>6,908,240</u>		<u>7,497,727</u>	
NET CURRENT ASSETS			<u>20,607,011</u>		<u>15,652,916</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>24,703,860</u>		<u>20,028,126</u>
CREDITORS					
Amounts falling due after more than one year	15		-		(3,179)
PROVISIONS FOR LIABILITIES	18		<u>(569,892)</u>		<u>(313,634)</u>
NET ASSETS			<u>24,133,968</u>		<u>19,711,313</u>
CAPITAL AND RESERVES					
Called up share capital	19		2,884,187		2,884,187
Share premium	20		764,981		764,981
Capital redemption reserve	20		921,794		921,794
Retained earnings	20		<u>19,563,006</u>		<u>15,140,351</u>
SHAREHOLDERS' FUNDS			<u>24,133,968</u>		<u>19,711,313</u>

The notes form part of these financial statements

BALANCE SHEET - continued
30 SEPTEMBER 2022

The financial statements were approved by the Board of Directors and authorised for issue on 28 June 2023 and were signed on its behalf by:

C A S Rickards - Director

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

	Called up share capital £	Retained earnings £	Share premium £	Capital redemption reserve £	Total equity £
Balance at 1 October 2020	2,884,187	12,554,143	764,981	921,794	17,125,105
Changes in equity					
Dividends	-	(2,430,000)	-	-	(2,430,000)
Total comprehensive income	-	5,016,208	-	-	5,016,208
Balance at 30 September 2021	<u>2,884,187</u>	<u>15,140,351</u>	<u>764,981</u>	<u>921,794</u>	<u>19,711,313</u>
Changes in equity					
Total comprehensive income	-	4,422,655	-	-	4,422,655
Balance at 30 September 2022	<u>2,884,187</u>	<u>19,563,006</u>	<u>764,981</u>	<u>921,794</u>	<u>24,133,968</u>

The notes form part of these financial statements

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2022

		2022	2021
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	1	2,262,023	5,410,673
Interest element of hire purchase payments paid		(34,551)	(26,003)
Tax paid		(831,228)	(458,650)
Net cash from operating activities		<u>1,396,244</u>	<u>4,926,020</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(1,459,036)	(1,245,070)
Sale of tangible fixed assets		29,470	23,000
Interest received		2,455	2,466
Net cash from investing activities		<u>(1,427,111)</u>	<u>(1,219,604)</u>
Cash flows from financing activities			
Capital repayments in year		(52,056)	(206,570)
Equity dividends paid		-	(2,430,000)
Net cash from financing activities		<u>(52,056)</u>	<u>(2,636,570)</u>
(Decrease)/increase in cash and cash equivalents		<u>(82,923)</u>	<u>1,069,846</u>
Cash and cash equivalents at beginning of year	2	1,995,128	925,282
Cash and cash equivalents at end of year	2	<u>1,912,205</u>	<u>1,995,128</u>

The notes form part of these financial statements

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2022 £	2021 £
Profit before taxation	5,486,130	6,010,081
Depreciation charges	1,175,272	1,019,793
Profit on disposal of fixed assets	(22,915)	(14,820)
Amounts written off investments	555,570	-
Finance costs	34,551	26,003
Finance income	(2,455)	(2,466)
	<u>7,226,153</u>	<u>7,038,591</u>
Increase in trade and other debtors	(4,447,531)	(2,003,595)
(Decrease)/increase in trade and other creditors	(516,599)	375,677
Cash generated from operations	<u><u>2,262,023</u></u>	<u><u>5,410,673</u></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:

Year ended 30 September 2022

	30.9.22 £	1.10.21 £
Cash and cash equivalents	<u>1,912,205</u>	<u>1,995,128</u>

Year ended 30 September 2021

	30.9.21 £	1.10.20 £
Cash and cash equivalents	<u>1,995,128</u>	<u>925,282</u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.10.21 £	Cash flow £	At 30.9.22 £
Net cash			
Cash at bank	<u>1,995,128</u>	<u>(82,923)</u>	<u>1,912,205</u>
	<u>1,995,128</u>	<u>(82,923)</u>	<u>1,912,205</u>
Debt			
Finance leases	<u>(55,235)</u>	<u>52,056</u>	<u>(3,179)</u>
	<u>(55,235)</u>	<u>52,056</u>	<u>(3,179)</u>
Total	<u><u>1,939,893</u></u>	<u><u>(30,867)</u></u>	<u><u>1,909,026</u></u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

1. **STATUTORY INFORMATION**

Ward Thomas Removals Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

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 on a going concern basis under the historical cost convention. The financial statements are presented in sterling which is the functional currency of the company.

Preparation of consolidated financial statements

The financial statements contain information about Ward Thomas Removals Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, Master Removers Group 2019 Ltd, 141 Acton Lane, London, NW10 7PB.

Turnover

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

Goodwill

Amortisation is calculated so as to write off the cost of goodwill paid in connection with the acquisition of a business over its estimated useful life. The goodwill arising on companies acquired prior to 30 September 2005 is being amortised over 20 years. Goodwill arising on all subsequent acquisitions is being amortised over 3 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.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold and leasehold property	- Straight line over 30 years
Plant and machinery	- 25% on cost
Motor vehicles	- 10% to 20% on cost

Expenditure on fixed assets is capitalised except for expenditure incurred on the replacement of assets of low value with a short life. Repair, renovation and replacement expenditure is written off as expenditure in the profit and loss account. The cost of fixed assets is their purchase cost, together with any incidental costs of acquisition.

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost less any provision for impairment.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2022

2. **ACCOUNTING POLICIES - continued**

Taxation

Taxation for the year 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 year 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.

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.

Hire purchase and leasing commitments

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

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Financial instruments

The company only enters into basic financial instruments and transactions that result in the recognition of financial assets and liabilities such as trade and other debtors and creditors, loans from banks and other third parties, and loans to and from related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other debtors and creditors, are initially measured at the present value of future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade creditors and debtors, are measured initially and subsequently, at the undiscounted amount of the cash, or other consideration, expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, such as the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or, in the case of an outright short-term loan, not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2022

2. ACCOUNTING POLICIES - continued

Exceptional items

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

3. EMPLOYEES AND DIRECTORS

	2022	2021
	£	£
Wages and salaries	10,558,840	9,157,857
Social security costs	984,516	700,604
Other pension costs	181,872	156,516
	<u>11,725,228</u>	<u>10,014,977</u>

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

	2022	2021
Sales and administration staff	60	60
Operations staff	239	196
	<u>299</u>	<u>256</u>

	2022	2021
	£	£
Directors' remuneration	119,500	124,131
Directors' pension contributions to money purchase schemes	<u>4,789</u>	<u>4,295</u>

The number of directors to whom retirement benefits were accruing was as follows:

	2022	2021
Money purchase schemes	<u>1</u>	<u>1</u>

4. EXCEPTIONAL ITEMS

	2022	2021
	£	£
Exceptional items	<u>-</u>	<u>(3,542)</u>

The exceptional expenditure in the year relates to one off costs that in line with the accounting policy are shown separately on the face of the profit and loss account.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2022

5. AMOUNTS WRITTEN OFF INVESTMENTS

	2022	2021
	£	£
Amount written off investments	<u>555,570</u>	<u>-</u>

The company has fully written down its investment in Lawrence Astridge Removals Limited due to the poor performance of that company.

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2022	2021
	£	£
Hire purchase	<u>34,551</u>	<u>26,003</u>

7. PROFIT BEFORE TAXATION

The profit is stated after charging/(crediting):

	2022	2021
	£	£
Depreciation - owned assets	630,546	623,527
Depreciation - assets on hire purchase contracts	401,434	252,974
Profit on disposal of fixed assets	(22,915)	(14,820)
Goodwill amortisation	143,292	143,292
Auditors' remuneration	<u>13,200</u>	<u>13,200</u>

8. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2022	2021
	£	£
Current tax:		
UK corporation tax	807,217	860,940
Deferred tax	<u>256,258</u>	<u>132,933</u>
Tax on profit	<u>1,063,475</u>	<u>993,873</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2022

8. TAXATION - continued**Reconciliation of total tax charge included in profit and loss**

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

	2022 £	2021 £
Profit before tax	<u>5,486,130</u>	<u>6,010,081</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	1,042,365	1,141,915
Effects of:		
Expenses not deductible for tax purposes	105,558	-
Capital allowances in excess of depreciation	(153,217)	(162,833)
Group relief	(187,489)	(118,142)
Movement on deferred tax	<u>256,258</u>	<u>132,933</u>
Total tax charge	<u>1,063,475</u>	<u>993,873</u>

9. DIVIDENDS

	2022 £	2021 £
Ordinary shares shares of £1 each		
Interim	<u>-</u>	<u>2,430,000</u>

10. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 October 2021	
and 30 September 2022	<u>3,466,966</u>
AMORTISATION	
At 1 October 2021	2,965,306
Amortisation for year	<u>143,292</u>
At 30 September 2022	<u>3,108,598</u>
NET BOOK VALUE	
At 30 September 2022	<u>358,368</u>
At 30 September 2021	<u>501,660</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2022

11. TANGIBLE FIXED ASSETS

	Freehold and leasehold property £	Plant and machinery £	Motor vehicles £	Totals £
COST				
At 1 October 2021	181,568	1,718,142	6,226,756	8,126,466
Additions	80,822	287,760	1,090,454	1,459,036
Disposals	-	-	(516,880)	(516,880)
At 30 September 2022	<u>262,390</u>	<u>2,005,902</u>	<u>6,800,330</u>	<u>9,068,622</u>
DEPRECIATION				
At 1 October 2021	133,151	1,157,307	3,754,741	5,045,199
Charge for year	13,335	227,874	790,771	1,031,980
Eliminated on disposal	-	-	(510,325)	(510,325)
At 30 September 2022	<u>146,486</u>	<u>1,385,181</u>	<u>4,035,187</u>	<u>5,566,854</u>
NET BOOK VALUE				
At 30 September 2022	<u>115,904</u>	<u>620,721</u>	<u>2,765,143</u>	<u>3,501,768</u>
At 30 September 2021	<u>48,417</u>	<u>560,835</u>	<u>2,472,015</u>	<u>3,081,267</u>

Included within the net book value of fixed assets is £20,451 (2021 £32,769) in respect of assets held under hire purchase agreements.

The net book value of fixed assets includes a further £1,823,376 (2021 £1,554,511) in respect of assets under hire purchase agreements the liabilities for which are included in the financial statements of the immediate parent company, Master Removers Group Ltd.

12. FIXED ASSET INVESTMENTS

	Shares in group undertakings £	Unlisted investments £	Totals £
COST			
At 1 October 2021 and 30 September 2022	<u>1,437,381</u>	<u>19,711</u>	<u>1,457,092</u>
PROVISIONS			
At 1 October 2021	664,809	-	664,809
Provision for year	<u>555,570</u>	<u>-</u>	<u>555,570</u>
At 30 September 2022	<u>1,220,379</u>	<u>-</u>	<u>1,220,379</u>
NET BOOK VALUE			
At 30 September 2022	<u>217,002</u>	<u>19,711</u>	<u>236,713</u>
At 30 September 2021	<u>772,572</u>	<u>19,711</u>	<u>792,283</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2022

12. FIXED ASSET INVESTMENTS - continued

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

Moves Group Limited

Registered office: 141 Acton Lane, London, NW10 7PB

Nature of business: Dormant

	%
Class of shares:	holding
Ordinary	100.00

Maitland Bell Removals Limited

Registered office: 141 Acton Lane, London, NW10 7PB

Nature of business: Dormant

	%
Class of shares:	holding
Ordinary	100.00

	2022	2021
	£	£
Aggregate capital and reserves	<u>2</u>	<u>2</u>

Net Moves Limited

Registered office: 141 Acton Lane, London, NW10 7PB

Nature of business: Dormant

	%
Class of shares:	holding
Ordinary	100.00

Moves Limited

Registered office: 141 Acton Lane, London, NW10 7PB

Nature of business: Dormant

	%
Class of shares:	holding
Ordinary	100.00

Moves (London) Limited

Registered office: 141 Acton Lane, London, NW10 7PB

Nature of business: Dormant

	%
Class of shares:	holding
Ordinary	100.00

Tom Williams Deliveries Limited

Registered office: 141 Acton Lane, London, NW10 7PB

Nature of business: Dormant

	%
Class of shares:	holding
Ordinary	100.00

	2022	2021
	£	£
Aggregate capital and reserves	<u>2</u>	<u>2</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2022

12. FIXED ASSET INVESTMENTS - continued

Distance Limited

Registered office: 141 Acton Lane, London, NW10 7PB

Nature of business: Dormant

Class of shares:	% holding	2022	2021
Ordinary	100.00	£	£
Aggregate capital and reserves		<u>217,000</u>	<u>217,000</u>

Lawrence Astridge Removals Limited

Registered office: 141 Acton Lane, London, NW10 7PB

Nature of business: Removals and storage

Class of shares:	% holding	2022	2021
Ordinary	100.00	£	£
Aggregate capital and reserves		(80,615)	39,051
Loss for the year		<u>(119,666)</u>	<u>(84,320)</u>

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade debtors	5,412,263	4,542,590
Due from group companies	18,936,685	15,529,863
Other debtors	394,534	214,369
Prepayments	859,564	868,693
	<u>25,603,046</u>	<u>21,155,515</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Hire purchase contracts (see note 16)	3,179	52,056
Payments on account	143,897	134,184
Trade creditors	1,039,334	1,068,473
Owed to group companies	2,109,691	2,762,478
Corporation tax	365,059	389,070
Social security and other taxes	867,902	948,180
Other creditors	3,400	3,349
Accruals and deferred income	<u>2,375,778</u>	<u>2,139,937</u>
	<u>6,908,240</u>	<u>7,497,727</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2022

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

	2022	2021
	£	£
Hire purchase contracts (see note 16)	<u>-</u>	<u>3,179</u>

16. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts 2022	2021
	£	£
Net obligations repayable:		
Within one year	3,179	52,056
Between one and five years	<u>-</u>	<u>3,179</u>
	<u>3,179</u>	<u>55,235</u>

	Non-cancellable operating leases 2022	2021
	£	£
Within one year	2,361,809	1,870,628
Between one and five years	7,170,415	4,938,458
In more than five years	<u>14,202,153</u>	<u>5,376,880</u>
	<u>23,734,377</u>	<u>12,185,966</u>

17. SECURED DEBTS

The following secured debts are included within creditors:

	2022	2021
	£	£
Hire purchase contracts	<u>3,179</u>	<u>55,235</u>

Amounts due under hire purchase agreements are secured on their associated assets.

18. PROVISIONS FOR LIABILITIES

	2022	2021
	£	£
Deferred tax	<u>569,892</u>	<u>313,634</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2022

18. PROVISIONS FOR LIABILITIES - continued

	Deferred tax £
Balance at 1 October 2021	313,634
Provided during year	256,258
Balance at 30 September 2022	<u>569,892</u>

19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2022 £	2021 £
2,882,694	Ordinary shares	£1	2,882,694	2,882,694
149,315	Ordinary shares	£0.01	1,493	1,493
			<u>2,884,187</u>	<u>2,884,187</u>

20. RESERVES

	Retained earnings £	Share premium £	Capital redemption reserve £	Totals £
At 1 October 2021	15,140,351	764,981	921,794	16,827,126
Profit for the year	4,422,655	-	-	4,422,655
At 30 September 2022	<u>19,563,006</u>	<u>764,981</u>	<u>921,794</u>	<u>21,249,781</u>

21. PENSION COMMITMENTS

The company makes payments to a defined contribution pension scheme on behalf of certain employees. The contributions payable are charged to the profit and loss account as they fall due and amounted to £181,872 during the year (2021 £156,516). There were no prepaid or outstanding contributions at the year end.

22. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2022

22. RELATED PARTY DISCLOSURES - continued**Key management personnel of the entity or its parent (in the aggregate)**

	2022	2021
	£	£
Key management personnel compensation	119,500	124,131
Key management personnel pension contributions	<u>4,789</u>	<u>4,295</u>

The directors of the company are considered to be the key management personnel. In addition to the above, the directors are remunerated at group level.

23. ULTIMATE CONTROLLING PARTY

The company is a wholly owned subsidiary of Master Removers Group Limited.

The ultimate parent company is Master Removers Group 2019 Ltd.

In the opinion of the directors, no one individual has control of the ultimate parent, Master Removers Group 2019 Ltd.

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