

Registered number: 05382156

SUBMITTED AS PART OF
SUBSIDIARY 10535454

BUFFALOAD LOGISTICS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019



BUFFALO LOGISTICS LIMITED

COMPANY INFORMATION

Directors	J A Feltwell I D Perks E S Power J Blythe (appointed 19 March 2019)
Company secretary	J A Feltwell
Registered number	05382156
Registered office	Grove Parc Grove Lane Ellington Huntingdon PE28 0AA
Trading Address	Grove Park Grove Lane Ellington Huntingdon PE28 0AA
Independent auditor	Grant Thornton UK LLP Statutory Auditor, Chartered Accountants No 1 Whitehall Riverside Leeds West Yorkshire LS1 4BN

BUFFALOAD LOGISTICS LIMITED

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BUFFALOAD LOGISTICS LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

Introduction

The directors present their strategic report and business review, which includes a balanced and comprehensive review of the development and performance during the period and its position at the period end, including principal risks and uncertainties, and key performance indicators.

Business review

Buffaload Logistics is one of the leading food supply chain distribution companies and has five operating sites in the UK. The business has retained its fleet size during the year without the need for significant investment. The fleet includes an industry leading number of double deck trailers with the capacity to deliver additional 70% volume than standard single deck trailers. This resulted lower costs and improved environmental credentials, comparing to competitors.

Revenues during the year increased by £2.7m, a result of organic growth from existing customers and gaining new, significant volumes to supplement the growing consolidated UK network. Operationally, the business performed well overall, maintaining high standards of customer service whilst maintaining, and improving unit costs, resulting in a gross margin improvement in the year.

Total net assets increased by £1.1m to £2.3m as a result of the retained profits generated and in accordance with policy included a £0.1m gain on revaluation of freehold property.

Group net debt reduced from £8.8m to 7.6m.

All borrowing covenants were tested and passed during the period.

During the year a primary customer, renewed a long-term supply contract demonstrating the confidence customers have in the service and value the business offers, the commitment from customers enables the group to be able to plan for both investment in replenishment and innovation.

Employee engagement and development are key initiatives to maintaining a strong and committed workforce, enabling the business to adapt and be flexible to the constant challenges the industry faces.

Future Outlook

The group is well placed to seek and capitalise on new logistics and warehouse opportunities as they arise through development of existing customers and maximising utilisation and capacities within the fleet and facilities.

During 2020 the business has made a significant financial investment to enhance its approach in delivering a sustainable and ecological transport solution. In March 2020, the first of 40 new, Volvo units were added to the fleet, fuelled by liquified natural gas (LNG) opposed to diesel, lowering Co2 emissions and in conjunction with double deck trailers, making the business an industry leader in lowering its carbon footprint.

Profitability of the group is expected to increase as continuous improvements, additional revenues and returns on investments are delivered in 2020.

BUFFALO LOGISTICS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

Post balance sheet events

During 2020, the business is operating through the global pandemic, COVID-19, impacting volume fluctuations, requirement to adopt increased hygiene, employee and site protocols and operate in an unprecedented working environment. The business has however, managed these risks and made significant changes in its operation to continue to operate safely and efficiently, and increased revenues further during 2020. There has been no impact of COVID-19 on the balance sheet as at 31 December 2019.

Principal risks and uncertainties

The haulage industry is highly competitive and leaves little opportunity for organic growth however the close working relationship that we keep with all of our customers and unique asset base means we consider ourselves to be in a strong position for the forthcoming year. The directors recognise the continuous requirement to control costs, increase efficiency and maintain margins but feel optimistic about the future prospects of the company and feel it is well placed to continue building key customer relationships to ensure its successful development into the future.

The impact of Brexit, whilst undeniable is also uncertain, with a primary risk of potential employee shortages as well as the knock-on effect of changes or initial volatility in the wider food production industry. The business has developed a wider range of resource providers and has the flexibility to adapt as required to mitigate any risks.

Financial key performance indicators

The company continues to measure its financial performance using the following measures:

Turnover increased by 8.8% from £31.0m in 2018 to £33.8m in 2019, both periods being twelve months ended December.

Gross margin has increased from 22.8% for the year to 31 December 2018 to 23.2% for the year ended 31 December 2019. This improvement reflects the continuing focus on efficiencies in a very challenging industry.

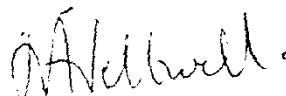
EBITDA has increased by £0.5m to £3.1m (2018 - £2.6m) in the year, representing an 18.2% increase, EBITDA in relation to sales also rose from 8.4% to 9.1%. EBITDA defined as Operating profit before Depreciation and Amortisation, see note 6.

Other key performance indicators

The directors also review non-financial indicators to reflect the wider view of the business in particular service delivery to key customers including on time delivery. A number of operating KPI's relating to the vehicle operation are monitored within the business to ensure operational efficiency is maximised.

Employee numbers have slightly reduced from 222 in 2018 to 219 in 2019.

This report was approved by the board on 21st DECEMBER 2020 and signed on its behalf.



J A Feltwell
Director

BUFFALO LOGISTICS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their report and the financial statements for the year ended 31 December 2019.

Directors' Responsibilities Statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). 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 the Group and of the profit or loss of the Group 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 Group 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 the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The profit for the year, after taxation, amounted to £1,026,150 (2018 - £873,287).

The Company have proposed a dividend of £nil in 2019 (2018: £Nil)

Directors

The directors who served during the year were:

J A Feltwell
I D Perks
E S Power
J Blythe (appointed 19 March 2019)
G M Edwards (resigned 19 March 2019)

BUFFALO LOGISTICS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

Future developments

The Company has a number of key contracts ongoing and the directors are confident that a satisfactory result will be achieved in the current financial year.

Financial instruments

Credit Risk

The business does not have any significant credit risk, with exposure spread over numerous "blue chip" customers. KPIs are monitored on a regular basis for trends or exceptions. Trade receivables represent the primary source of the business's credit risk and all are denominated in sterling. A bad debt provision is in place, and calculated on a best estimate of likely future cashflows.

Liquidity and Cashflow Risk

Liquidity risk is the risk that the business will not be able meet its financial obligations as they fall due. The directors and management continuously evaluate sensitivities of cashflows and ability to repay contractual maturities to terms, and forecast and budgets are used to predict the business performance to plan and ensure liquidity risk managed. Banking and other borrowing facilities are deemed suitable and provide the business with a balanced ageing of repayments that suit future cashflows.

Market Risk

The business is not exposed to any significant market risk of foreign exchange or interest rate fluctuations, all of the businesses operations are sterling denominated and bank and other borrowings have a predominantly fixed interest rate.

Qualifying third party indemnity provisions

During the year and at the date this report is signed qualifying third party indemnity provision was in force for the benefit of one or more directors of the Parent Company.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as each director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- each director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

BUFFALO LOGISTICS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

Post balance sheet events

During 2020, the business is operating through the global pandemic, COVID-19, impacting volume fluctuations, requirement to adopt increased hygiene, employee and site protocols and operate in an unprecedented working environment. The business has however, managed these risks and made significant changes in its operation to continue to operate safely and efficiently, and increased revenues further during 2020. There has been no impact of COVID-19 on the balance sheet as at 31 December 2019.

Going concern

The directors have prepared financial forecasts for the Group and Company to December 2021 and have a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the foreseeable future. The directors have evaluated the impact of COVID-19 on both revenues and costs during 2020, in their preparation of the forecast for 2021. The directors have performed sensitivity analysis and concluded that a severe downside in revenues would not result in a financial covenant breach or result in the Group not having sufficient funds to pay its liabilities. The directors have also taken into account that the balance sheet shows a net current liabilities position at the year end in their cash flow forecasts.

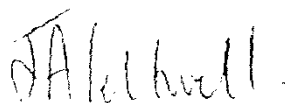
The directors have reviewed the finance facilities available to the Group. These include a bank loan, HP financing and invoice discounting arrangements. The invoice discounting facility is renewable on an annual basis and management expect that it will be renewed in April 2021 for a further year based when it becomes due for renewal. The forecasts, taking into account a reasonably possible change in trading performance, show that the Group should be able to operate within the level of its current facilities. The Group will open invoice discounting facility renewal negotiations with the bank in due course however based on discussions to date, no matters have been drawn to its attention to suggest that the renewal may not be forthcoming on acceptable terms.

The directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis of accounting in preparing the annual financial statements and have not identified any material uncertainties.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 21st December 2020 and signed on its behalf.



J A Feltwell
Director



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BUFFALOAD LOGISTICS LIMITED

Opinion

We have audited the financial statements of Buffaloalad Logistics Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2019, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Balance Sheets, the Consolidated and Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and the 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 Group's and of the parent Company's affairs as at 31 December 2019 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Group and the parent 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.

The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the group's and the parent company's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the group's and the parent company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a group or a parent company associated with these particular events.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BUFFALOAD LOGISTICS LIMITED
(CONTINUED)**

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

In our evaluation of the directors' conclusions, we considered the risks associated with the group's and the parent company's business, including effects arising from macro-economic uncertainties such as Covid-19 and Brexit, and analysed how those risks might affect the group's and the parent company's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the group or the parent company will continue in operation.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report 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 there is a material misstatement in 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 in this regard.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BUFFALO LOGISTICS LIMITED
(CONTINUED)**

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

Matter on which we are required to report under the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion,

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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 for the financial statements

As explained more fully in the Directors' Responsibilities Statement on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent 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 Group or the parent Company or to cease operations, or have no realistic alternative but to do so.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BUFFALO LOGISTICS LIMITED (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

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

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 Auditor's Report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton UK LLP

Richard Woodward BA FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Leeds

Date: *21 December 2020*

BUFFALOAD LOGISTICS LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 £	2018 £
Turnover	4	33,767,996	31,043,310
Cost of sales		(25,946,849)	(23,968,847)
Gross profit		7,821,147	7,074,463
Administrative expenses		(7,419,926)	(7,049,586)
Other operating income	5	1,243,752	1,269,677
Operating profit	6	1,644,973	1,294,554
Interest payable and expenses	10	(298,360)	(258,376)
Profit before tax		1,346,613	1,036,178
Tax on profit	11	(320,463)	(162,891)
Profit for the financial year		1,026,150	873,287
Other comprehensive income for the year			
Unrealised surplus on revaluation of tangible fixed assets		81,499	-
Other comprehensive income for the year		81,499	-
Total comprehensive income for the year		1,107,649	873,287
Profit for the year attributable to:			
Owners of the parent company		1,026,150	873,287
		1,026,150	873,287

There were no recognised gains and losses for 2019 or 2018 other than those included in the consolidated statement of comprehensive income.

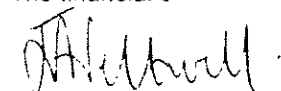
The notes on pages 19 to 42 form part of these financial statements.

BUFFALO LOGISTICS LIMITED
REGISTERED NUMBER: 05382156

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	12	6,397,607	7,554,028
		<u>6,397,607</u>	<u>7,554,028</u>
Current assets			
Stocks	14	295,708	257,674
Debtors: amounts falling due within one year	15	9,692,175	8,651,418
Cash at bank and in hand	16	540,753	182,040
		<u>10,528,636</u>	<u>9,091,132</u>
Creditors: amounts falling due within one year	17	(13,200,454)	(14,160,086)
Net current liabilities		<u>(2,671,818)</u>	<u>(5,068,954)</u>
Total assets less current liabilities		<u>3,725,789</u>	<u>2,485,074</u>
Creditors: amounts falling due after more than one year	18	(1,208,844)	(1,166,071)
Provisions for liabilities			
Deferred taxation	21	(227,044)	(169,275)
		<u>(227,044)</u>	<u>(169,275)</u>
Net assets		<u><u>2,289,901</u></u>	<u><u>1,149,728</u></u>
Capital and reserves			
Called up share capital	22	10,000	10,000
Revaluation reserve	23	356,507	275,008
Profit and loss account	23	1,923,394	864,720
Equity attributable to owners of the parent Company		<u><u>2,289,901</u></u>	<u><u>1,149,728</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on



J A Feltwell
Director

21st December 2020

BUFFALOAD LOGISTICS LIMITED
REGISTERED NUMBER:05382156

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	12	6,397,607	7,554,028
Investments	13	1	1
		<u>6,397,608</u>	<u>7,554,029</u>
Current assets			
Stocks	14	295,708	257,674
Debtors: amounts falling due within one year	15	9,692,174	8,651,417
Cash at bank and in hand	16	540,753	182,040
		<u>10,528,635</u>	<u>9,091,131</u>
Creditors: amounts falling due within one year	17	(13,200,454)	(14,160,086)
Net current liabilities		<u>(2,671,819)</u>	<u>(5,068,955)</u>
Total assets less current liabilities		<u>3,725,789</u>	<u>2,485,074</u>
Creditors: amounts falling due after more than one year	18	(1,208,844)	(1,166,071)
Provisions for liabilities			
Deferred taxation	21	(227,044)	(169,275)
		<u>(227,044)</u>	<u>(169,275)</u>
Net assets		<u><u>2,289,901</u></u>	<u><u>1,149,728</u></u>

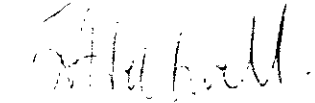
BUFFALOAD LOGISTICS LIMITED
REGISTERED NUMBER:05382156

COMPANY BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
Capital and reserves			
Called up share capital	22	10,000	10,000
Revaluation reserve	23	356,507	275,008
Other changes in the profit and loss account		32,524	-
Profit and loss account		1,923,394	864,720
		<u>2,289,901</u>	<u>1,149,728</u>

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements. The profit after tax of the parent Company for the year was £1,026,150.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on



J A Feltwell
 Director

21st DECEMBER 2020

BUFFALO LOGISTICS LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital	Revaluation reserve	Profit and loss account	Equity attributable to owners of parent Company	Total equity
	£	£	£	£	£
At 1 January 2019	10,000	275,008	864,720	1,149,728	1,149,728
Comprehensive income for the year					
Profit for the year	-	-	1,026,150	1,026,150	1,026,150
Surplus on revaluation of freehold property	-	114,023	-	114,023	114,023
Transfer from revaluation reserve	-	-	32,524	32,524	32,524
Transfer to retained earnings	-	(32,524)	-	(32,524)	(32,524)
Other comprehensive income for the year	-	81,499	32,524	114,023	114,023
Total comprehensive income for the year	-	81,499	1,058,674	1,140,173	1,140,173
At 31 December 2019	10,000	356,507	1,923,394	2,289,901	2,289,901

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital	Revaluation reserve	Profit and loss account	Equity attributable to owners of parent Company	Total equity
	£	£	£	£	£
At 1 January 2018	10,000	275,008	(8,567)	276,441	276,441
Comprehensive income for the year					
Profit for the year	-	-	873,287	873,287	873,287
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	873,287	873,287	873,287
At 31 December 2018	10,000	275,008	864,720	1,149,728	1,149,728

The notes on pages 19 to 42 form part of these financial statements.

BUFFALOAD LOGISTICS LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2019	10,000	275,008	864,720	1,149,728
Comprehensive income for the year				
Profit for the year	-	-	1,026,150	1,026,150
Surplus on revaluation of freehold property	-	114,023	-	114,023
Transfer to retained earnings	-	-	32,524	32,524
Deficit on revaluation of other fixed assets	-	(32,524)	-	(32,524)
Other comprehensive income for the year	-	81,499	32,524	114,023
Total comprehensive income for the year	-	81,499	1,058,674	1,140,173
Total transactions with owners	-	-	-	-
At 31 December 2019	10,000	356,507	1,923,394	2,289,901

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2018	10,000	275,008	(8,568)	276,440
Comprehensive income for the year				
Profit for the year	-	-	873,288	873,288
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	873,288	873,288
Total transactions with owners	-	-	-	-
At 31 December 2018	10,000	275,008	864,720	1,149,728

The notes on pages 19 to 42 form part of these financial statements.

BUFFALOAD LOGISTICS LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019 £	2018 £
Cash flows from operating activities		
Profit for the financial year	1,026,150	873,287
Adjustments for:		
Amortisation of intangible assets	-	(140,870)
Depreciation of tangible assets	1,427,121	1,445,787
(Profit)/loss on disposal of tangible assets	(22,881)	3,247
Interest paid	298,360	258,376
Taxation charge	320,463	162,891
(Increase) in stocks	(38,034)	(33,419)
(Increase) in debtors	(1,040,758)	(156,421)
(Decrease) in creditors	(71,482)	(1,411,271)
(Decrease) in amounts owed to related parties	(263,027)	(421,501)
Net cash generated from operating activities	1,635,912	580,106
Cash flows from investing activities		
Purchase of tangible fixed assets	(104,046)	(30,572)
Sale of tangible fixed assets	54,450	65,692
HP interest paid	(102,927)	(165,194)
Net cash from investing activities	(152,523)	(130,074)

BUFFALO LOGISTICS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 £	2018 £
Cash flows from financing activities		
Receipts from invoice discounting facility	394,866	1,351,547
Repayment of loans	(75,631)	(73,089)
Repayment of/new finance leases	(1,248,478)	(1,559,932)
Interest paid	(195,433)	(93,182)
Net cash used in financing activities	(1,124,676)	(374,656)
Net increase in cash and cash equivalents	358,713	75,376
Cash and cash equivalents at beginning of year	182,040	106,664
Cash and cash equivalents at the end of year	540,753	182,040
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	540,753	182,040
	540,753	182,040

The notes on pages 19 to 42 form part of these financial statements.

BUFFALOAD LOGISTICS LIMITED

**CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2019**

	At 1 January 2019 £	Cash flows £	New finance leases £	Other non- cash changes £	At 31 December 2019 £
Cash at bank and in hand	182,040	358,713	-	-	540,753
Invoice discounting facility	(5,506,679)	(394,866)	-	-	(5,901,545)
Debt due after 1 year	-	-	-	(860,911)	(860,911)
Debt due within 1 year	(1,012,172)	75,631	-	860,911	(75,630)
Finance leases	(2,503,924)	1,248,478	(84,200)	-	(1,339,646)
	<u>(8,840,735)</u>	<u>1,287,956</u>	<u>(84,200)</u>	<u>-</u>	<u>(7,636,979)</u>

The notes on pages 19 to 42 form part of these financial statements.

BUFFALOAD LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. General information

Buffaload Logistics Limited is a private company limited by shares and incorporated in England and Wales. Its registered head office is located at Grove Parc, Grove Lane, Ellington, Huntingdon, England, PE28 0AA.

The principal activity of the Company is that of temperature controlled distribution, chilled storage and logistics.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 April 2015.

BUFFALO LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.3 Going concern

The directors have prepared financial forecasts for the Group and Company to December 2021 and have a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the foreseeable future. The directors have evaluated the impact of COVID-19 on both revenues and costs during 2020, in their preparation of the forecast for 2021. The directors have performed sensitivity analysis and concluded that a severe downside in revenues would not result in a financial covenant breach or result in the Group not having sufficient funds to pay its liabilities. The directors have also taken into account that the balance sheet shows a net current liabilities position at the year end in their cash flow forecasts.

The directors have reviewed the finance facilities available to the Group. These include a bank loan, HP financing and invoice discounting arrangements. The invoice discounting facility is renewable on an annual basis and management expect that it will be renewed in April 2021 for a further year based when it becomes due for renewal. The forecasts, taking into account a reasonably possible change in trading performance, show that the Group should be able to operate within the level of its current facilities. The Group will open invoice discounting facility renewal negotiations with the bank in due course however based on discussions to date, no matters have been drawn to its attention to suggest that the renewal may not be forthcoming on acceptable terms.

The directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis of accounting in preparing the annual financial statements and have not identified any material uncertainties.

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Distribution revenue is recognised when each delivery has been completed.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

BUFFALO LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.5 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Negative goodwill is released against the realisation of the underlying assets to which it relates.

2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Freehold property	- 2.0% straight line
Leasehold improvements	- over the period of the lease
Plant and machinery	- between 3 and 10 years straight line
Motor vehicles	- between 7 and 10 years straight line
Office equipment	- between 2 and 5 years straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

2.7 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Balance Sheet date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in the Consolidated Statement of Comprehensive Income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

BUFFALOAD LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.9 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell.

2.10 Debtors

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

2.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.12 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the 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 debtors and creditors, 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, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Consolidated Statement of Comprehensive Income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

BUFFALOAD LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.12 Financial instruments (continued)

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

2.13 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.14 Finance costs

Finance costs are charged to the Consolidated Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.15 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Group has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 January 2018 to continue to be charged over the period to the first market rent review rather than the term of the lease.

BUFFALOAD LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.16 Leased assets: the Group as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Consolidated Statement of Comprehensive Income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.17 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

2.18 Other operating income

Other operating income represents rental income received by the Group for both the provision of premises and storage to external parties.

2.19 Borrowing costs

All borrowing costs are recognised in the Consolidated Statement of Comprehensive Income in the year in which they are incurred.

2.20 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated Statement of Comprehensive Income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

BUFFALO LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.21 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

BUFFALOAD LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In applying the Group's accounting policies set out above management is required to make certain estimates and judgements concerning the future. These judgements are regularly reviewed and updated as necessary.

In preparing these financial statements, the directors have had to make the following judgements:

Determine whether there are any indicators of impairment of the Group's tangible fixed assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty:

a) Tangible fixed assets and depreciation

Tangible fixed assets are depreciated over their useful lives taking in to account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, all relevant known factors are taken in to account but there is inherent uncertainty present in making this assessment.

b) Trade debtor and related party debtors provisions

Provisions for impairment are recognised when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivable. The amount of the provision is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

4. Turnover

All turnover arose within the United Kingdom and related to the principal activity of the Group.

5. Other operating income

	2019 £	2018 £
Rent income	<u>1,243,752</u>	<u>1,269,677</u>

6. Operating profit

The operating profit is stated after charging:

	2019 £	2018 £
Depreciation of tangible fixed assets - owned by the company	673,176	614,836
Depreciation of tangible fixed assets - held under finance lease	753,945	830,949
Amortisation of intangible assets, including goodwill	-	(140,870)
(Profit)/loss on disposal of tangible fixed assets	<u>(22,881)</u>	<u>3,247</u>

BUFFALO LOGISTICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

7. Auditor's remuneration

	2019	<i>2018</i>
	£	<i>£</i>
Fees payable to the Group's auditor and its associates for the audit of the Group's annual accounts	20,245	<i>19,560</i>
Fees payable to the Group's auditor and its associates in respect of:		
Other services	2,715	<i>2,680</i>

8. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2019	<i>Group 2018</i>	Company 2019	<i>Company 2018</i>
	£	<i>£</i>	£	<i>£</i>
Wages and salaries	7,299,828	<i>7,527,347</i>	7,299,828	<i>7,527,347</i>
Social security costs	743,091	<i>767,917</i>	743,091	<i>767,917</i>
Cost of defined contribution scheme	160,722	<i>106,115</i>	160,722	<i>106,115</i>
	8,203,641	<i>8,401,379</i>	8,203,641	<i>8,401,379</i>

The average monthly number of employees, including the directors, during the year was as follows:

	Group 2019	<i>Group 2018</i>	Company 2019	<i>Company 2018</i>
	No.	<i>No.</i>	No.	<i>No.</i>
Administrative staff	56	<i>50</i>	56	<i>50</i>
Operating staff	163	<i>172</i>	163	<i>172</i>
	219	<i>222</i>	219	<i>222</i>

BUFFALOAD LOGISTICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

9. Directors' remuneration

	2019 £	2018 £
Directors' emoluments	212,309	194,242
Company contributions to defined contribution pension schemes	5,146	3,054
	<u>217,455</u>	<u>197,296</u>

During the year retirement benefits were accruing to 2 directors (2018 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £108,437 (2018 - £104,500).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £2,717 (2018 - £1,654).

Key management compensation

Key management includes the directors and members of senior management. The compensation paid or payable to key management for employee services is shown below:

	2019 £	2018 £
Salaries and other short-term benefits	604,645	524,940
	<u>604,645</u>	<u>524,940</u>

10. Interest payable and similar expenses

	2019 £	2018 £
Bank interest payable	195,433	93,182
Finance leases and hire purchase contracts	102,927	165,194
	<u>298,360</u>	<u>258,376</u>

BUFFALOAD LOGISTICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

11. Taxation

	2019 £	2018 £
Corporation tax		
Current tax on profits for the year	262,694	-
	262,694	-
Total current tax	262,694	-
Deferred tax		
Origination and reversal of timing differences	40,253	162,891
Adjustments in respect of prior periods	17,516	-
Total deferred tax	57,769	162,891
Taxation on profit on ordinary activities	320,463	162,891

BUFFALOAD LOGISTICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

11. Taxation (continued)**Factors affecting tax charge for the period**

The tax assessed for the year is higher than (2018 - lower than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
Profit on ordinary activities before tax	<u>1,346,613</u>	<u>1,036,178</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	255,856	196,874
Effects of:		
Fixed asset differences	60,033	-
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	365	39,296
Adjustments to tax charge in respect of prior periods	17,516	-
Other permanent differences	-	335
Non-taxable income	(8,570)	(54,450)
Tax rate differences	(4,737)	(19,164)
Total tax charge for the year	<u><u>320,463</u></u>	<u><u>162,891</u></u>

Factors that may affect future tax charges

The main rate of corporation tax was scheduled to reduce from 19% to 17% from 1 April 2020, a change which was substantively enacted as of 15 September 2016 as part of the Finance Bill 2016.

In March 2020, the UK Government announced that the reduction in tax rate to 17% will be cancelled and the UK main corporation tax rate will remain at 19%.

Deferred tax has been provided for at 17% in these financial statements.

BUFFALOAD LOGISTICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

12. Tangible fixed assets

Group and Company

	Freehold property £	Short-term leasehold property £	Plant and machinery £	Motor vehicles £	Office equipment £
Cost or valuation					
At 1 January 2019	2,293,619	786,756	1,012,309	8,956,293	596,683
Additions	-	44,547	11,000	120,999	11,700
Disposals	-	-	-	(144,757)	-
Revaluations	114,023	-	-	-	-
At 31 December 2019	2,407,642	831,303	1,023,309	8,932,535	608,383
Depreciation					
At 1 January 2019	528,594	207,678	538,188	4,427,179	389,993
Charge for the year on owned assets	54,620	83,676	133,038	1,035,892	119,895
Disposals	-	-	-	(113,188)	-
At 31 December 2019	583,214	291,354	671,226	5,349,883	509,888
Net book value					
At 31 December 2019	1,824,428	539,949	352,083	3,582,652	98,495
At 31 December 2018	1,765,025	579,078	474,121	4,529,114	206,690

BUFFALO LOGISTICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

12. Tangible fixed assets (continued)

	Total £
Cost or valuation	
At 1 January 2019	13,645,660
Additions	188,246
Disposals	(144,757)
Revaluations	114,023
At 31 December 2019	<u>13,803,172</u>
Depreciation	
At 1 January 2019	6,091,632
Charge for the year on owned assets	1,427,121
Disposals	(113,188)
At 31 December 2019	<u>7,405,565</u>
Net book value	
At 31 December 2019	<u><u>6,397,607</u></u>
<i>At 31 December 2018</i>	<u><u>7,554,028</u></u>

The properties were last revalued on 31 December 2019 by an independent valuer using market based evidence for recent comparable market transaction on arms length terms.

The net book value of land and buildings may be further analysed as follows:

	2019 £	2018 £
Freehold	1,824,428	1,765,025
Short leasehold	539,949	579,078
	<u><u>2,364,377</u></u>	<u><u>2,344,103</u></u>

BUFFALOAD LOGISTICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

12. Tangible fixed assets (continued)

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2019 £	2018 £
Plant and machinery	-	54,152
Motor vehicles	2,633,726	3,745,759
Computer equipment	-	37,083
	<u>2,633,726</u>	<u>3,836,994</u>

Cost or valuation at 31 December 2019 is as follows:

	Land and buildings £
At cost	2,849,914
At valuation:	
31 December 2019 on an open market basis by an independent valuer	389,031
	<u>3,238,945</u>

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2019 £	2018 £
Group		
Cost	1,104,799	1,104,799
Accumulated depreciation	(83,792)	(60,604)
Net book value	<u>1,021,007</u>	<u>1,044,195</u>

BUFFALOAD LOGISTICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

13. Fixed asset investments**Company**

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2019	1
At 31 December 2019	<u>1</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Buffaload Logistics (Crewe) Limited	Colmore Court, 9 Colmore Row, Birmingham, West Midlands, B3 2BJ	Ordinary	100%
Davis Haulage Limited	Colmore Court, 9 Colmore Row, Birmingham, West Midlands, B3 2BJ	Ordinary	100%

Buffaload Logistics (Crewe) Limited is exempt from the requirements of the Companies Act relating to the audit of individual financial statements by virtue of s479A of the Companies Act 2006.

Davis Haulage Limited is a dormant company for which individual financial statements are not prepared.

BUFFALOAD LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

14. Stocks

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Raw materials and consumables	295,708	257,674	295,708	257,674

The difference between purchase price or production cost of stocks and their replacement cost is not material.

An impairment loss of £2,435 (2018: £12,569) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

15. Debtors

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Trade debtors	7,231,391	6,654,768	7,231,391	6,654,768
Amounts owed by joint ventures and associated undertakings	1,012,162	1,012,162	1,012,162	1,012,162
Other debtors	12,059	-	12,059	-
Called up share capital not paid	1	1	-	-
Prepayments and accrued income	1,431,593	979,518	1,431,593	979,518
Tax recoverable	4,969	4,969	4,969	4,969
	<u>9,692,175</u>	<u>8,651,418</u>	<u>9,692,174</u>	<u>8,651,417</u>

Trade debtors are stated after a provision for impairment of £89,450 (2018: £107,966).

16. Cash and cash equivalents

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Cash at bank and in hand	540,753	182,040	540,753	182,040

BUFFALOAD LOGISTICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

17. Creditors: Amounts falling due within one year

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Bank loans	75,631	1,012,172	75,631	1,012,172
Trade creditors	1,807,936	2,149,956	1,807,936	2,149,956
Amounts owed to related parties	1,023,832	1,286,859	1,023,832	1,286,859
Corporation tax	262,694	-	262,694	-
Other taxation and social security	806,004	766,317	806,004	766,317
Obligations under finance lease and hire purchase contracts	991,712	1,337,853	991,712	1,337,853
Other creditors	6,222,027	5,765,801	6,222,027	5,765,801
Accruals and deferred income	2,010,618	1,841,128	2,010,618	1,841,128
	13,200,454	14,160,086	13,200,454	14,160,086

Within other creditors is the invoice discounting facility of £5,901,545 (2018: £5,506,679). This is secured against the sales ledger balances to which it relates.

18. Creditors: Amounts falling due after more than one year

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Bank loans	860,910	-	860,910	-
Net obligations under finance leases and hire purchase contracts	347,934	1,166,071	347,934	1,166,071
	1,208,844	1,166,071	1,208,844	1,166,071

Bank loans and overdrafts are secured on:

- An unlimited debenture;
- A first legal charge from the group over the freehold land and buildings at Grove Lane, Ellington.

Hire purchase obligations of £1,339,647 (2018: £2,503,924) are secured on the assets concerned.

BUFFALOAD LOGISTICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

19. Loans

	Group 2019 £	<i>Group 2018 £</i>	Company 2019 £	<i>Company 2018 £</i>
Amounts falling due within one year				
Bank loans	75,631	1,012,172	75,631	1,012,172
	<u>75,631</u>	<u>1,012,172</u>	<u>75,631</u>	<u>1,012,172</u>
Amounts falling due 1-2 years				
Bank loans	75,631	-	75,631	-
Amounts falling due 2-5 years				
Bank loans	226,893	-	226,893	-
Amounts falling due after more than 5 years				
Bank loans	558,386	-	558,386	-
	<u>936,541</u>	<u>1,012,172</u>	<u>936,541</u>	<u>1,012,172</u>

20. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2019 £	<i>Group 2018 £</i>	Company 2019 £	<i>Company 2018 £</i>
Within one year	991,712	1,337,853	991,712	1,337,853
Between 1-5 years	347,934	1,166,071	347,934	1,166,071
	<u>1,339,646</u>	<u>2,503,924</u>	<u>1,339,646</u>	<u>2,503,924</u>

BUFFALOAD LOGISTICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

21. Deferred taxation

Group

	2019 £
At beginning of period	(169,275)
Charged to profit or loss	(57,769)
At end of period	(227,044)

Company

	2019 £
At beginning of year	(169,275)
Charged to profit or loss	(57,769)
At end of year	(227,044)

The provision for deferred taxation is made up as follows:

	Group 2019 £	<i>Group 2018 £</i>	Company 2019 £	<i>Company 2018 £</i>
Accelerated capital allowances	(238,510)	(280,729)	(238,510)	(280,729)
Tax losses carried forward	-	108,148	-	108,148
Short term timing differences	11,466	3,306	11,466	3,306
	(227,044)	<i>(169,275)</i>	(227,044)	<i>(169,275)</i>

BUFFALOAD LOGISTICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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22. Share capital

	2019 £	2018 £
Authorised, allotted, called up and fully paid		
500,000 (2018 - 500,000) Allotted, called up and fully paid "A" Ordinary shares shares of £0.01 each	5,000	5,000
500,000 (2018 - 500,000) Allotted, called up and fully paid "B" Ordinary shares shares of £0.01 each	5,000	5,000
	<u>10,000</u>	<u>10,000</u>

"A" and "B" Ordinary shares hold the same respective rights and are ranked *pari-passu*.

23. Reserves

Revaluation reserve

Represents the accumulated surpluses and deficits arising on the revaluation of the group's fixed assets.

Profit and loss account

Includes all current and prior periods retained profits and losses.

24. Capital commitments

At 31 December 2019 the Group and Company had capital commitments as follows:

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Contracted for but not provided in these financial statements	4,800,000	-	4,800,000	-
	<u>4,800,000</u>	<u>-</u>	<u>4,800,000</u>	<u>-</u>

25. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £160,722 (2018: £106,115). Contributions totalling £67,446 (2018: £19,445) were payable to the fund at the balance sheet date.

BUFFALOAD LOGISTICS LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2019**

26. Commitments under operating leases

At 31 December 2019 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2019 £	<i>Group 2018 £</i>	Company 2019 £	<i>Company 2018 £</i>
Land and buildings				
Not later than 1 year	1,015,000	<i>910,000</i>	1,015,000	<i>910,000</i>
Later than 1 year and not later than 5 years	3,640,000	<i>3,640,000</i>	3,640,000	<i>3,640,000</i>
Later than 5 years	2,200,000	<i>3,110,000</i>	2,200,000	<i>3,110,000</i>
	6,855,000	<i>7,660,000</i>	6,855,000	<i>7,660,000</i>
	Group 2019 £	<i>Group 2018 £</i>	Company 2019 £	<i>Company 2018 £</i>
Plant and equipment				
Not later than 1 year	407,351	<i>366,027</i>	407,351	<i>366,027</i>
Later than 1 year and not later than 5 years	678,939	<i>913,290</i>	678,939	<i>913,290</i>
	1,086,290	<i>1,279,317</i>	1,086,290	<i>1,279,317</i>

27. Related party transactions

During the period the Company entered into transactions with Corkers Crisps Limited, a company under common control. The amount due from that company at the period end was £1,064,826 (2018: £1,069,598).

During the period the Company entered into transactions with 2 Sisters Food Group Limited, a company under the control of a 50% shareholder in this business. The amount due to that company at the period end was £8,376 (2018: due from £9,134).

During the period the Company operated a loan account with Mr R Taylor (50% shareholder). The amount due to Mr R Taylor of £725,326 is included within creditors at the period end (2018: £962,893). No interest was charged during the period.

During the period the Company entered into transactions with Buffaload Agriculture Limited, a company in which Ms J A Feltwell and Mr R Taylor are shareholders. The amount due from that company at the period end was £176,703 (2018: £124,303).

During the period the Company entered into transactions with Amber REI Holdings Limited, a company under the control of a 50% shareholder in this business. The amount due to that company at the period end was £301,750 (2018: £375,000).

BUFFALOAD LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

27. Related party transactions (continued)

During the period the Company entered into transactions with TFP Ventures Limited a company in which Mr R Taylor is a shareholder. The amount due to that company at the period end was £206,035 (2018: £146,774).

During the period the Company entered into transactions with Jaxdene Solutions Limited, a company in which Mr H L Feltwell, a son of Ms J A Feltwell is a shareholder. The amount due to that company at the period end was £298,415 (2018: £12,990).

Transactions with the above related parties are disclosed below:

	Sales 2019 £	Purchases 2019 £	Debtor 2019 £	Creditor 2019 £
Corkers Crisps Limited	45,704	9,608	1,080,931	16,105
2 Sisters Food Group Limited*	-	-	-	8,376
Mr R Taylor	3,062	1,842	-	725,326
Buffaload Agriculture Limited	97,229	-	176,703	-
Jaxdene Solutions Limited*	5,712	4,030,310	6,854	305,269
Amber REI Holdings Limited	-	2,533	-	301,750
TFP Ventures Limited*	19,341	961,910	30,347	236,382
	<u>171,048</u>	<u>5,006,203</u>	<u>1,294,835</u>	<u>1,593,208</u>
	Sales 2018 £	Purchases 2018 £	Debtor 2018 £	Creditor 2018 £
Corkers Crisps Limited	31,853	9,265	1,069,598	-
2 Sisters Food Group Limited*	-	-	9,134	-
Mr R Taylor	58,173	16,152	-	962,893
Buffaload Agriculture Limited*	97,018	-	124,303	-
Jaxdene Solutions Limited*	-	152,947	-	12,990
Amber REI Holdings Limited	-	59,929	-	375,000
TFP Ventures Limited*	9,617	594,784	-	146,774
	<u>196,661</u>	<u>833,077</u>	<u>1,203,035</u>	<u>1,497,657</u>

*Amounts owed to related parties are included in trade creditors and amounts due from related parties are included in trade debtors.

28. Controlling party

The directors do not consider there to be one party with overall control of the Company.

BUFFALOAD LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

29. Post balance sheet events

During 2020, the business is operating through the global pandemic, COVID-19, impacting volume fluctuations, requirement to adopt increased hygiene, employee and site protocols and operate in an unprecedented working environment. The business has however, managed these risks and made significant changes in its operation to continue to operate safely and efficiently, and increased revenues further during 2020. There has been no impact of COVID-19 on the balance sheet as at 31 December 2019.