

SPRINT LOGISTICS HOLDINGS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

SPRINT LOGISTICS HOLDINGS LIMITED

COMPANY INFORMATION

Directors	Mr I Hussain Mr S Hussain Mr A Hussain
Company number	10745227
Registered office	30 Old Market Wisbech Cambridgeshire PE13 1NB
Auditor	Mapus-Smith & Lemmon LLP 48 King Street King's Lynn Norfolk PE30 1HE
Business address	A2 Parkway West Cranford Lane Heston Middlesex TW5 9QA

SPRINT LOGISTICS HOLDINGS LIMITED

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SPRINT LOGISTICS HOLDINGS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2022

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

Review of the business

Sprint Logistics is a third-party logistics provider based in Heathrow and Peterborough with presence in e-commerce logistics, D2C and other e-fulfilment services, co-packing, managed freight, distribution and warehousing services.

Revenue grew by 35.6% during the financial year as the strategy of e-commerce and managed one-stop services continued to deliver positive benefits across all areas of the business and the company benefited from favourable conditions in the freight market driven by strong demand from selected clients and high container shipping rates. The group generated EBITDA of £1,036,307, building on the solid progress achieved in the prior years. Following lifting of the national lockdown, business conditions have somewhat improved although many clients and their sectors remain at subdued levels as they have restructured their internal processes. Against that the company's sales and marketing strategy has delivered a record number of new customers which has compensated for these trends and have driven the company forward.

Our IT operational management system which controls orders, workflows, warehousing, kitting and other activity continues to gather momentum and as can often be the case has grown in scope and function to accommodate new features and concepts and is beginning to make strides into machine learning and AI-concepts to help drive scale and efficiency. The product is called BOLT and we are now well into the launch stages of this new cutting edge, cloud-based warehouse and operational management system. BOLT is now live and will commence rollout across our various sites in the coming financial year. Following on from introduction of a new carrier-management platform in late 2019, the Company was able to roll this out into its Peterborough operation as well and broaden the integration into almost all last-mile carriers in the UK – from tracked and untracked mail, economy and premium parcels, light and heavy pallets and dedicated trailers.

During the year, there has been significant growth in e-commerce capabilities with further growth being driven by integration into the major online marketplaces and selected shopping hubs. Our growth meant that we expanded our warehousing operations by taking new facilities in Harrier Park, Peterborough and some shorter term space in Heathrow. We also launched services in Europe from Heerlen, in the southern tip of The Netherlands integrating into our systems so customers can now receive both a UK and a European fulfilment solution, reducing delivery times and tax inefficiencies. Sprint has very limited exposure to the financial and legal services industry and has broadened interests into telecommunications' equipment, cosmetics, clinical testing, drinks, online retail, exhibitions, direct to consumer and speciality fashion.

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

	2022	2021
Turnover	12,434,539	9,157,234
EBITDA	1,036,307	1,223,312
Profit/(loss) for the financial year	383,424	558,743
Shareholders funds	716,167	552,743
Employees	87	79

The Group has adopted a number of quality management and environmentally friendly practices since 2000 and aims to continue to extend and enhance these throughout the business. The Group is accredited with the ISO 9001:2000, ISO 14001:2004 Environmental Management System (EMS) standards, ISO 27001 Information Security standards as well as being a member of the UKWA.

SPRINT LOGISTICS HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Principal risks and uncertainties

The principal risk and uncertainties facing the Group are broadly grouped into some key categories: commercial business risk, credit risks and liquidity risks.

Credit risk

The Group has an outstanding record on collection of cash from debtors, with bad debt levels representing less than 0.5% of turnover. This has been achieved through a careful combination of credit screening, both prior to opening a new sales account and at intervals throughout the life of the account, through rigorous and detailed cash collection processes and through the focus of business development on blue chip and creditworthy clients. Exposure to credit risk is further lessened by the spread of debtors, with no single debtor account representing in excess of 10% of turnover. The Group will continue to monitor its debtors and to manage its debtor book in a similar fashion for the foreseeable future.

Commercial business risk

The directors believe the Group continues to be well placed in its industry sector and there is no significant threat over which it has little or no control. Typical risks include loss of market share (through increased competition and via some contracts that are subject to periodic competitive tender), erosion of operating profits through rising fuel costs and loss of key personnel and a general weakening in the economy which affects courier consignment levels. The directors believe the business has a very small market share of the courier and logistics marketplace and whilst it has been impacted by the economic slowdown, in the medium term it will be able to overcome the weakness in the economy through continued business expansion.

In order to mitigate the other risks, the Group has continued to invest in people and processes to provide outstanding product and customer service, maintained a policy of setting a fuel surcharge for express services which is in line with market benchmarks and continued to provide an exceptional working environment with investment in personal development and strengthening the concept of being an employer of choice. The business is robust and mature having been trading for over 35 years at the balance sheet date and is in a stronger position to mitigate other business risks and uncertainty.

Financial Instruments

Operations are largely financed by retained profits, cash flow from operations and significant cash resources. The risk that the entity will encounter difficulty making obligations associated with financial liabilities is referred to as liquidity risk. The Company aims to mitigate liquidity risk by effective cash generation through its operations, applying strong cash collection principles throughout the business. The directors monitor the liquidity and cash flow of the company carefully. In addition, the Group benefits from a significant invoice discounting facility which, at the balance sheet date, has significant undrawn availability.

On behalf of the board

Mr A Hussain
Director

25 November 2022

SPRINT LOGISTICS HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2022

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

Principal activities

The principal activity of the company and group continued to be that of courier service focused on international express courier services, UK domestic courier services, international mailings and fulfilment services.

Results and dividends

The results for the year are set out on page 8.

Dividends of £20,000 have been paid to minority interests. The directors do not recommend payment of a further dividend.

Directors

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

Mr I Hussain
Mr S Hussain
Mr A Hussain

Auditor

Mapus-Smith & Lemmon LLP were appointed as auditor to the company and in accordance with Section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board

Mr A Hussain
Director

25 November 2022

SPRINT LOGISTICS HOLDINGS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2022

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the ;
- prepare the on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

SPRINT LOGISTICS HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SPRINT LOGISTICS HOLDINGS LIMITED

Opinion

We have audited the financial statements of Sprint Logistics Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including 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 the parent company's affairs as at 31 March 2022 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 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.

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 group's and parent 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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

SPRINT LOGISTICS HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SPRINT LOGISTICS HOLDINGS LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

- adequate accounting records have not been kept 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

As explained more fully in the directors' responsibilities statement, 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 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 parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the logistics sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company including the Companies Act 2006, taxation legislation, data protection, anti-bribery, and employment legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

SPRINT LOGISTICS HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SPRINT LOGISTICS HOLDINGS LIMITED

To address the risk of fraud through management bias and override controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions; assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of our report

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

Sharon Edwards (Senior Statutory Auditor)
For and on behalf of Mapus-Smith & Lemmon LLP

5 December 2022

Chartered Accountants
Statutory Auditor

48 King Street
King's Lynn
Norfolk
PE30 1HE

SPRINT LOGISTICS HOLDINGS LIMITED

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	2021 £
Turnover	3	12,434,539	9,157,234
Cost of sales		(6,047,203)	(4,528,204)
Gross profit		6,387,336	4,629,030
Distribution costs		(602,510)	(480,857)
Administrative expenses		(5,754,520)	(4,369,799)
Other operating income		292,501	850,655
Operating profit	4	322,807	629,029
Interest receivable and similar income	8	25	1,538
Interest payable and similar expenses	9	(21,256)	(19,973)
Profit before taxation		301,576	610,594
Tax on profit	10	81,848	(51,821)
Profit for the financial year	26	383,424	558,773

SPRINT LOGISTICS HOLDINGS LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2022

	2022	2021
	£	£
Profit for the year	383,424	558,773
Other comprehensive income	-	-
Total comprehensive income for the year	<u>383,424</u>	<u>558,773</u>
Total comprehensive income for the year is attributable to:		
- Owners of the parent company	373,994	449,161
- Non-controlling interests	<u>9,430</u>	<u>109,612</u>
	<u>383,424</u>	<u>558,773</u>

SPRINT LOGISTICS HOLDINGS LIMITED

GROUP BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Goodwill	11	1,268,608		1,644,846	
Other intangible assets	11	1,280		1,280	
Total intangible assets		1,269,888		1,646,126	
Tangible assets	12	749,951		610,050	
Investments	13	1,000,000		1,000,000	
		3,019,839		3,256,176	
Current assets					
Debtors	16	1,769,814		2,096,916	
Cash at bank and in hand		233,968		151,386	
		2,003,782		2,248,302	
Creditors: amounts falling due within one year	17	(1,451,763)		(1,318,187)	
Net current assets		552,019		930,115	
Total assets less current liabilities		3,571,858		4,186,291	
Creditors: amounts falling due after more than one year	18	(2,819,024)		(3,548,941)	
Provisions for liabilities					
Provisions	21	-		20,000	
Deferred tax liability	22	36,667		64,607	
			(36,667)		(84,607)
Net assets		716,167		552,743	
Capital and reserves					
Called up share capital	24	200		200	
Share premium account	25	2,381,355		2,381,355	
Profit and loss reserves	26	(1,720,029)		(1,919,235)	
Equity attributable to owners of the parent company		661,526		462,320	
Non-controlling interests		54,641		90,423	
		716,167		552,743	

SPRINT LOGISTICS HOLDINGS LIMITED

GROUP BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2022

The financial statements were approved by the board of directors and authorised for issue on 25 November 2022 and are signed on its behalf by:

Mr A Hussain
Director

Company registration number 10745227 (England and Wales)

SPRINT LOGISTICS HOLDINGS LIMITED

COMPANY BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Goodwill	11	219,271		286,740	
Other intangible assets	11	1,280		1,280	
Total intangible assets		220,551		288,020	
Tangible assets	12	123,965		122,996	
Investments	13	4,084,916		3,884,916	
		4,429,432		4,295,932	
Current assets					
Debtors	16	61,411		61,411	
Cash at bank and in hand		26,361		17,896	
		87,772		79,307	
Creditors: amounts falling due within one year	17	(417,244)		(196,082)	
Net current liabilities		(329,472)		(116,775)	
Total assets less current liabilities		4,099,960		4,179,157	
Creditors: amounts falling due after more than one year	18	(2,819,024)		(3,404,097)	
Net assets		1,280,936		775,060	
Capital and reserves					
Called up share capital	24	200		200	
Share premium account	25	2,381,355		2,381,355	
Other reserves		37,208		37,208	
Profit and loss reserves	26	(1,137,827)		(1,643,703)	
Total equity		1,280,936		775,060	

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £505,876 (2021 - £142,377 loss).

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

SPRINT LOGISTICS HOLDINGS LIMITED

COMPANY BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2022

The financial statements were approved by the board of directors and authorised for issue on 25 November 2022 and are signed on its behalf by:

Mr A Hussain
Director

Company registration number 10745227 (England and Wales)

SPRINT LOGISTICS HOLDINGS LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2022

	Share capital	Share premium account	Profit and loss reserves	Total non-controlling interest	Total
Notes	£	£	£	£	£
Balance at 1 April 2020	200	2,381,355	(2,348,396)	33,159	(19,189)
Year ended 31 March 2021:					
Profit and total comprehensive income for the year	-	-	449,161	449,161	109,612
Dividends	-	-	(20,000)	(20,000)	(20,000)
Balance at 31 March 2021	200	2,381,355	(1,919,235)	462,320	90,423
Year ended 31 March 2022:					
Profit and total comprehensive income for the year	-	-	373,994	373,994	9,430
Dividends	-	-	(20,000)	(20,000)	(20,000)
Purchase of shares in subsidiary from non-controlling interest	-	-	(154,788)	(154,788)	(45,212)
Balance at 31 March 2022	200	2,381,355	(1,720,029)	661,526	54,641
					716,167

SPRINT LOGISTICS HOLDINGS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2022

	Share capital	Share premium account	Profit and loss reserves		Total
	£	£	£	£	£
Balance at 1 April 2020	200	2,381,355	37,208	(1,501,327)	917,436
Year ended 31 March 2021:					
Loss and total comprehensive income for the year	-	-	-	(142,376)	(142,376)
Balance at 31 March 2021	200	2,381,355	37,208	(1,643,703)	775,060
Year ended 31 March 2022:					
Profit and total comprehensive income for the year	-	-	-	505,876	505,876
Balance at 31 March 2022	200	2,381,355	37,208	(1,137,827)	1,280,936

SPRINT LOGISTICS HOLDINGS LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

		2022	2021
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	30	1,212,255	1,078,909
Interest paid		(21,256)	(18,456)
Income taxes refunded		97,862	107,549
Net cash inflow from operating activities		1,288,861	1,168,002
Investing activities			
Purchase of tangible fixed assets		(477,162)	(109,317)
Proceeds from disposal of tangible fixed assets		(1)	5,200
Interest received		25	1,538
Net cash used in investing activities		(477,138)	(102,579)
Financing activities			
Proceeds from new bank loans		-	(50,000)
Repayment of bank loans		(45,556)	44,341
Repayment of directors' loans		(541,382)	(407,014)
Payment of finance leases obligations		(824)	7,230
Purchase of shares in subsidiary from non-controlling interest		(200,000)	-
Dividends paid to equity shareholders		(20,000)	(20,000)
Net cash used in financing activities		(807,762)	(425,443)
Net increase in cash and cash equivalents		3,961	639,980
Cash and cash equivalents at beginning of year		144,886	(495,094)
Cash and cash equivalents at end of year		148,847	144,886
Relating to:			
Cash at bank and in hand		233,968	151,386
Bank overdrafts included in creditors payable within one year		(85,121)	(6,500)

SPRINT LOGISTICS HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

Company information

Sprint Logistics Holdings Limited ("the company") is a private company limited by shares and incorporated in England and Wales. The registered office is 30 Old Market, Wisbech, Cambridgeshire, PE13 1NB.

The group consists of Sprint Logistics Holdings Limited and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Business combinations

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

1.3 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Sprint Logistics Holdings Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 March 2022. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates.

SPRINT LOGISTICS HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

Investments in joint ventures and associates are carried in the group balance sheet at cost plus post-acquisition changes in the group's share of the net assets of the entity, less any impairment in value. The carrying values of investments in joint ventures and associates include acquired goodwill.

If the group's share of losses in a joint venture or associate equals or exceeds its investment in the joint venture or associate, the group does not recognise further losses unless it has incurred obligations to do so or has made payments on behalf of the joint venture or associate.

Unrealised gains arising from transactions with joint ventures and associates are eliminated to the extent of the group's interest in the entity.

The company has taken advantage of the exemption allowed under S408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements.

1.4 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

The directors have made strategic decisions which have improved the performance of the group and have confirmed that they will continue to support the group until such a point that they can withdraw their support.

1.5 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

1.6 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.7 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

SPRINT LOGISTICS HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Patents & licences	0%
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The directors believe that the carrying value of patents reflects the fair value and so no depreciation is charged.

1.8 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold buildings	Written off over the term of the lease
Plant and equipment	20%, 33% straight line
Fixtures and fittings	20%, 25%, 33% straight line
Motor vehicles	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

1.9 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

SPRINT LOGISTICS HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.10 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.11 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.12 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

SPRINT LOGISTICS HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

SPRINT LOGISTICS HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

Other financial liabilities

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 finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.13 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.14 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

SPRINT LOGISTICS HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.15 Provisions

Provisions are recognised when the group has a legal or constructive present obligation as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

1.16 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.17 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.18 Leases

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

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

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1.19 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.20 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

SPRINT LOGISTICS HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

	2022 £	2021 £
Turnover analysed by class of business		
Rendering of services	12,434,539	9,157,234
	<u>12,434,539</u>	<u>9,157,234</u>
	2022 £	2021 £
Turnover analysed by geographical market		
UK	9,942,544	8,705,131
EU	845,034	294,823
ROW	1,646,961	157,280
	<u>12,434,539</u>	<u>9,157,234</u>
	2022 £	2021 £
Other revenue		
Interest income	25	1,538
Grants received	292,501	755,656
	<u>292,501</u>	<u>755,656</u>

4 Operating profit

	2022 £	2021 £
Operating profit for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	2,325	2,325
Government grants	(292,501)	(755,656)
Depreciation of owned tangible fixed assets	284,691	223,245
Loss/(profit) on disposal of tangible fixed assets	52,571	(5,200)
Amortisation of intangible assets	376,238	376,238
Operating lease charges	794,317	577,702
	<u>794,317</u>	<u>577,702</u>

SPRINT LOGISTICS HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

5 Auditor's remuneration

	2022	2021
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	5,000	4,000
Audit of the financial statements of the company's subsidiaries	12,000	11,583
	<u>17,000</u>	<u>15,583</u>

6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2022 Number	2021 Number	Company 2022 Number	2021 Number
Total admin and management	87	79	-	-

Their aggregate remuneration comprised:

	Group 2022 £	2021 £	Company 2022 £	2021 £
Wages and salaries	2,895,837	2,151,948	-	-
Social security costs	223,908	176,438	-	-
Pension costs	11,961	25,031	-	-
	<u>3,131,706</u>	<u>2,353,417</u>	<u>-</u>	<u>-</u>

7 Directors' remuneration

	2022	2021
	£	£
Remuneration for qualifying services	213,803	142,388

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2022	2021
	£	£
Remuneration for qualifying services	120,000	-

SPRINT LOGISTICS HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

8 Interest receivable and similar income

	2022	2021
	£	£
Interest income		
Other interest income	25	1,538
	<u>25</u>	<u>1,538</u>

9 Interest payable and similar expenses

	2022	2021
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	3,222	3,605
Interest on invoice finance arrangements	18,858	15,315
	<u>22,080</u>	<u>18,920</u>
Other finance costs:		
Interest on finance leases and hire purchase contracts	(824)	1,053
	<u>(824)</u>	<u>1,053</u>
Total finance costs	<u>21,256</u>	<u>19,973</u>

10 Taxation

	2022	2021
	£	£
Current tax		
UK corporation tax on profits for the current period	-	85,076
Adjustments in respect of prior periods	(53,908)	(97,862)
	<u>(53,908)</u>	<u>(12,786)</u>
Total current tax	<u>(53,908)</u>	<u>(12,786)</u>
Deferred tax		
Origination and reversal of timing differences	(27,940)	64,607
	<u>(27,940)</u>	<u>64,607</u>
Total tax (credit)/charge	<u>(81,848)</u>	<u>51,821</u>

SPRINT LOGISTICS HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

10 Taxation

(Continued)

The actual (credit)/charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2022 £	2021 £
Profit before taxation	301,576	610,594
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	57,299	116,013
Tax effect of expenses that are not deductible in determining taxable profit	3,020	1,885
Tax effect of utilisation of tax losses not previously recognised	(24,935)	(119,985)
Unutilised tax losses carried forward	30,341	-
Change in unrecognised deferred tax assets	25	(1,697)
Adjustments in respect of prior years	(53,908)	-
Amortisation on assets not qualifying for tax allowances	71,485	71,476
Research and development tax credit	(165,175)	(97,852)
Deferred tax adjustments in respect of prior years	-	81,981
Taxation (credit)/charge	(81,848)	51,821

11 Intangible fixed assets

Group	Goodwill £	Patents & licences £	Total £
Cost			
At 1 April 2021 and 31 March 2022	4,673,070	1,280	4,674,350
Amortisation and impairment			
At 1 April 2021	3,028,224	-	3,028,224
Amortisation charged for the year	376,238	-	376,238
At 31 March 2022	3,404,462	-	3,404,462
Carrying amount			
At 31 March 2022	1,268,608	1,280	1,269,888
At 31 March 2021	1,644,846	1,280	1,646,126

SPRINT LOGISTICS HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

11 Intangible fixed assets

(Continued)

Company	Goodwill	Patents & licences	Total
	£	£	£
Cost			
At 1 April 2021 and 31 March 2022	998,007	1,280	999,287
Amortisation and impairment			
At 1 April 2021	711,267	-	711,267
Amortisation charged for the year	67,469	-	67,469
At 31 March 2022	778,736	-	778,736
Carrying amount			
At 31 March 2022	219,271	1,280	220,551
At 31 March 2021	286,740	1,280	288,020

12 Tangible fixed assets

Group	Leasehold buildings	Plant and equipment	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 April 2021	946,200	368,611	698,505	8,574	2,021,890
Additions	134,940	77,840	264,382	-	477,162
Disposals	-	(172,702)	(518,537)	(8,574)	(699,813)
At 31 March 2022	1,081,140	273,749	444,350	-	1,799,239
Depreciation and impairment					
At 1 April 2021	604,290	242,575	563,903	1,072	1,411,840
Depreciation charged in the year	196,195	36,063	52,433	-	284,691
Eliminated in respect of disposals	-	(138,994)	(507,177)	(1,072)	(647,243)
At 31 March 2022	800,485	139,644	109,159	-	1,049,288
Carrying amount					
At 31 March 2022	280,655	134,105	335,191	-	749,951
At 31 March 2021	341,910	126,036	134,602	7,502	610,050

SPRINT LOGISTICS HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

12 Tangible fixed assets

(Continued)

Company	Plant and equipment £	Fixtures and fittings £	Total £
Cost			
At 1 April 2021	52,000	94,557	146,557
Additions	-	22,901	22,901
At 31 March 2022	52,000	117,458	169,458
Depreciation and impairment			
At 1 April 2021	-	23,561	23,561
Depreciation charged in the year	-	21,932	21,932
At 31 March 2022	-	45,493	45,493
Carrying amount			
At 31 March 2022	52,000	71,965	123,965
At 31 March 2021	52,000	70,996	122,996

13 Fixed asset investments

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Investments in subsidiaries	14	-	-	4,084,916	3,884,916
Unlisted investments		1,000,000	1,000,000	-	-
		1,000,000	1,000,000	4,084,916	3,884,916

The group acquired an additional 12.5% in a subsidiary in which it had a controlling interest for a total consideration of £200,000.

Movements in fixed asset investments

Group	Investments £
Cost or valuation	
At 1 April 2021 and 31 March 2022	1,000,000
Carrying amount	
At 31 March 2022	1,000,000
At 31 March 2021	1,000,000

SPRINT LOGISTICS HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

13 Fixed asset investments (Continued)

Movements in fixed asset investments		Shares in subsidiaries
Company		£
Cost or valuation		
At 1 April 2021		3,884,916
Additions		200,000
		<hr/>
At 31 March 2022		4,084,916
		<hr/>
Carrying amount		
At 31 March 2022		4,084,916
		<hr/>
At 31 March 2021		3,884,916
		<hr/>

14 Subsidiaries

Details of the company's subsidiaries at 31 March 2022 are as follows:

Name of undertaking	Address	Nature of business	Class of shares held	% Held Direct
Sprint E-Logistics Limited	England	E-Commerce fulfilment and logistics	Ordinary shares	87.50
Sprint Logistics Limited	England	Fulfilment and logistics	Ordinary shares	100.00
BADR Development Company Limited	England	Dormant company	Ordinary shares	100.00

Registered office addresses (all UK unless otherwise indicated):

- 1 30 Old Market, Wisbech, Cambridgeshire, PE13 1NB
- 2 30 Old Market, Wisbech, Cambridgeshire, PE13 1NB
- 3 30 Old Market, Wisbech, Cambridgeshire, PE13 1NB

15 Financial instruments

	Group 2022 £	2021 £	Company 2022 £	2021 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	1,485,121	1,719,262	1,300	1,300
Equity instruments measured at cost less impairment	1,000,000	1,000,000	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Carrying amount of financial liabilities				
Measured at amortised cost	4,130,624	4,640,027	3,236,268	3,600,179
	<hr/>	<hr/>	<hr/>	<hr/>

SPRINT LOGISTICS HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

16 Debtors

	Group 2022	2021	Company 2022	2021
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	1,484,821	1,656,419	-	-
Corporation tax recoverable	112	44,066	112	112
Amounts owed by group undertakings	-	-	1,300	1,300
Other debtors	300	62,843	-	-
Prepayments and accrued income	284,581	333,588	59,999	59,999
	<u>1,769,814</u>	<u>2,096,916</u>	<u>61,411</u>	<u>61,411</u>

17 Creditors: amounts falling due within one year

	Notes	Group 2022	2021	Company 2022	2021
		£	£	£	£
Bank loans and overdrafts	19	129,825	53,069	44,704	48,569
Obligations under finance leases	20	-	824	-	-
Trade creditors		804,549	748,351	9,843	21,150
Amounts owed to group undertakings		-	-	357,697	119,212
Corporation tax payable		31,168	31,168	-	-
Other taxation and social security		108,995	195,933	-	-
Other creditors		22,445	46,733	-	4,151
Accruals and deferred income		354,781	242,109	5,000	5,000
		<u>1,451,763</u>	<u>1,318,187</u>	<u>417,244</u>	<u>196,082</u>

18 Creditors: amounts falling due after more than one year

	Notes	Group 2022	2021	Company 2022	2021
		£	£	£	£
Bank loans and overdrafts	19	35,416	79,107	35,416	79,107
Other creditors		2,783,608	3,324,990	2,783,608	3,324,990
Accruals and deferred income		-	144,844	-	-
		<u>2,819,024</u>	<u>3,548,941</u>	<u>2,819,024</u>	<u>3,404,097</u>

Included within other creditors is an amount of £1,591,111 (2021: £2,114,990) owed to directors and £1,210,000 (2021: £1,210,000) owed to All Seasons Homes Limited.

SPRINT LOGISTICS HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

19 Loans and overdrafts

	Group 2022 £	2021 £	Company 2022 £	2021 £
Bank loans	80,120	125,676	80,120	125,676
Bank overdrafts	85,121	6,500	-	-
	<u>165,241</u>	<u>132,176</u>	<u>80,120</u>	<u>125,676</u>
Payable within one year	129,825	53,069	44,704	46,569
Payable after one year	<u>35,416</u>	<u>79,107</u>	<u>35,416</u>	<u>79,107</u>

The bank loans are secured by a debenture over all the assets of the company as well as a cross guarantee between Sprint Logistics Limited and Sprint Logistics Holdings Limited. Interest at 4.5% is charged on bank loans.

Included within bank loans and overdrafts is an amount of £85,121 (2021: £6,500) related to an invoice discounting line with HSBC which the company utilises and operates within the approved credit lines.

Details of Guarantees and indemnities:

Guarantee dated 16 May 2017 in favour of HM Revenue and Customs central for £13,000

Guarantee dated 14 September 2017 in favour of International Air Transport for £1,000

Details of security held:

Composite Company Limited multilateral guarantee dated 3 May 2017 given by Sprint Logistics Limited, Sprint E Logistics Limited and Sprint Logistics Holdings Limited.

Debenture including fixed charge over all present freehold and leasehold property; First fixed charge over book debts and other debts, chattels, goodwill and uncalled capital, both present and future; and First floating charge over all assets and undertaking both present and future dated 3 May 2017.

20 Finance lease obligations

	Group 2022 £	2021 £	Company 2022 £	2021 £
Future minimum lease payments due under finance leases:				
Within one year	-	824	-	-

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

Finance leases are secured against the assets to which they relate.

SPRINT LOGISTICS HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

21 Provisions for liabilities

	Group 2022 £	2021 £	Company 2022 £	2021 £
	-	20,000	-	-
	<u>-</u>	<u>20,000</u>	<u>-</u>	<u>-</u>

Movements on provisions:

	Total £
Group	
Reversal of provision	(20,000)
	<u>(20,000)</u>

22 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

	Liabilities 2022 £	Liabilities 2021 £
Group		
Accelerated capital allowances	94,697	64,607
Tax losses	(58,030)	-
	<u>36,667</u>	<u>64,607</u>

The company has no deferred tax assets or liabilities.

	Group 2022 £	Company 2022 £
Movements in the year:		
Liability at 1 April 2021	64,607	-
Credit to profit or loss	(27,940)	-
	<u>36,667</u>	<u>-</u>
Liability at 31 March 2022	<u>36,667</u>	<u>-</u>

23 Retirement benefit schemes

	2022 £	2021 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	11,961	25,031
	<u>11,961</u>	<u>25,031</u>

SPRINT LOGISTICS HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

23 Retirement benefit schemes

(Continued)

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

24 Share capital

Group and company	2022	2021	2022	2021
Ordinary share capital	Number	Number	£	£
Issued and fully paid				
Ordinary shares of £1 each	200	200	200	200

25 Share premium account

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
At the beginning and end of the year	2,381,355	2,381,355	2,381,355	2,381,355

26 Profit and loss reserves

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
At the beginning of the year	(1,919,235)	(2,348,396)	(1,643,703)	(1,501,327)
Profit/(loss) for the year	373,994	449,161	505,876	(142,376)
Dividends	(20,000)	(20,000)	-	-
Other	(154,788)	-	-	-
At the end of the year	(1,720,029)	(1,919,235)	(1,137,827)	(1,643,703)

27 Financial commitments, guarantees and contingent liabilities

A loan agreement for sums totalling £220,000 was entered into on 31 March 2022. The loan has an interest rate of 3% and is repayable over five years.

SPRINT LOGISTICS HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

28 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2022 £	2021 £	Company 2022 £	2021 £
Within one year	630,422	577,520	-	-
Between two and five years	607,431	607,628	-	-
	<u>1,237,853</u>	<u>1,185,148</u>	<u>-</u>	<u>-</u>

29 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2022 £	2021 £
Aggregate compensation	<u>213,803</u>	<u>142,388</u>

The following amounts were outstanding at the reporting end date:

Amounts due to related parties

	2022 £	2021 £
Group		
All Seasons Homes Limited	<u>1,210,000</u>	<u>1,210,000</u>

Other information

Transactions with group companies have not been disclosed in accordance with the exemption available in FRS102.

SPRINT LOGISTICS HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

30 Cash generated from group operations

	2022 £	2021 £
Profit for the year after tax	383,424	558,773
Adjustments for:		
Taxation (credited)/charged	(81,848)	51,821
Finance costs	21,256	19,973
Investment income	(25)	(1,538)
Loss/(gain) on disposal of tangible fixed assets	52,571	(5,200)
Amortisation and impairment of intangible assets	376,238	376,238
Depreciation and impairment of tangible fixed assets	284,691	223,245
Decrease in provisions	(20,000)	-
Movements in working capital:		
Decrease/(increase) in debtors	283,148	(158,090)
(Decrease)/increase in creditors	(87,200)	13,687
Cash generated from operations	1,212,255	1,078,909

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