

Company registration number 02657061 (England and Wales)

**KEL-BERG TRAILER AND TRUCKS LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2022**

# KEL-BERG TRAILER AND TRUCKS LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	J Larsen R Verner
<b>Secretary</b>	A M Kristensen
<b>Company number</b>	02657061
<b>Registered office</b>	Kel-Berg House Middleton Stoney Road Weston-on-the-Green Bicester Oxfordshire OX25 3TH
<b>Auditor</b>	UHY Ross Brooke Suite I, Windrush Court Abingdon Business Park Abingdon Oxfordshire OX14 1SY

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# KEL-BERG TRAILER AND TRUCKS LIMITED

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# KEL-BERG TRAILER AND TRUCKS LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 30 JUNE 2022

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

#### **Fair review of the business**

The sales reported for the year are £49,211,197 compared to £34,225,655 for the year ended 30 June 2021. The construction industry has again seen growth since last year. The company's good performance has given the directors confidence in the resilience of the market and believe this will continue. This performance has provided a boost to the existing resources and the directors will continue to expand the business. The directors are continuing to support the strategy in offering the most innovative trailers and related products.

The investment and development of our facilities in Bicester continues in 2022/23 and it's a key part of our strategy to be well placed in the market in the UK and Ireland. The company generated profits this year of £2,701,454 (2021: £1,113,336). The Kel-Berg brand is well accepted in the Europe, UK and Ireland and we will continue to build on this success.

#### **Principal risks and uncertainties**

The directors consider the company's principal risks and uncertainties to be:

- the reliance on major truck manufacturers' products for our contract hire and we have mitigated this by having supply of all major vehicle brands;
- the construction industry's activity level is reliant on the current low interest rates and a change to higher interest rates will have an effect on our sales

#### **Key performance indicators**

The company uses many key performance indicators to monitor and assess the company's performance and core activities.

##### **Sales**

The company monitors sales comparing budgets with actual and benchmarking our progress with industry information available, and competitors. The performance indicators are considered monthly to ensure that the company is working efficiently to maximise sales.

##### **Units rented**

Each year we have the ambition to rent out more vehicles. We monitor monthly units rented and compare with budgeted figures. As with sales our operational tactics are changed if these are under achieved and this year, we have seen these increase again.

##### **Gross margin**

We try to maintain a consistent margin. However, due to market forces this is a critical performance monitoring area. Costs recently have increased due to economic factors affecting currency and consumer buying behaviour. The market currently is thriving but we remain on alert as cost increases are making the market unpredictable. Unfortunately, this affects the margin and the overall profitability of the company.

#### **Other information and explanations**

Sales have now returned to pre-pandemic levels and have increased to £49,211,197, from £34,225,655 reported for the year ended 30 June 2021. The directors have assessed the potential future and anticipate sales to remain stable during the current year ending 2023.

The directors are pleased with the company's overall performance for the year and early indications are good for the year end 30 June 2023. We believe that we can experience similar sales going into next year and beyond, but we are still firmly focused on customer satisfaction as this has been key to our success to date.

# **KEL-BERG TRAILER AND TRUCKS LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

***FOR THE YEAR ENDED 30 JUNE 2022***

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By order of the board

A M Kristensen

**Secretary**

16 November 2022

# KEL-BERG TRAILER AND TRUCKS LIMITED

## DIRECTORS' REPORT

**FOR THE YEAR ENDED 30 JUNE 2022**

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The directors present their annual report and financial statements for the year ended 30 June 2022.

### Principal activities

The principal activity of the company continued to be that of the retailing of commercial vehicles.

### Results and dividends

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

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

### Directors

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

J Larsen  
R Verner

### Research and development

The company carries out research and development to develop and refine manufacturing techniques. The research is aimed at constructing their own lorries from the chassis up instead of outsourcing this business activity to competitors.

### Future developments

The directors are responding to the changes in demand for the company's products and are looking to invest in the business to keep up the supply and to build up the business' profile.

### Auditor

The auditor, UHY Ross Brooke, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

### 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 company's auditor 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 company's auditor is aware of that information.

### Going concern

The company's underlying performance has met the expectations of the board of directors, seeing consistent profits during the year. The company is expected to continue its sales, profits and matching positive cash inflows for the foreseeable future, and Board of Directors see no adverse events or circumstances that would change their assessment over the company's ability to trade over the next 12 months. On this assessment the directors believe that the going concern basis of accounting is appropriate.

By order of the board

A M Kristensen  
**Secretary**

16 November 2022

# **KEL-BERG TRAILER AND TRUCKS LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 30 JUNE 2022***

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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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

# KEL-BERG TRAILER AND TRUCKS LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBER OF KEL-BERG TRAILER AND TRUCKS LIMITED

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#### Opinion

We have audited the financial statements of Kel-Berg Trailer and Trucks Limited (the 'company') for the year ended 30 June 2022 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the 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 company's affairs as at 30 June 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

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

#### Conclusions relating to going concern

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

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

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

#### Other information

The 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.



# **KEL-BERG TRAILER AND TRUCKS LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBER OF KEL-BERG TRAILER AND TRUCKS LIMITED**

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#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **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.

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

- the nature of the industry and sector, control environment and business performance including the company's remuneration policy, bonus levels and performance targets;
- the company's own assessment, including assessments made by key management, of the risks that irregularities may occur either as a result of fraud or error;
- any matters we identified having reviewed the company's policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed amongst the engagement team.

## **KEL-BERG TRAILER AND TRUCKS LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBER OF KEL-BERG TRAILER AND TRUCKS LIMITED**

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As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the areas in which management is required to exercise significant judgement, such as the disclosure of adjusting items. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

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

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 member 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 member those matters we are required to state to the member 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 member, for our audit work, for this report, or for the opinions we have formed.

**Caroline Webster (Senior Statutory Auditor)**  
for and on behalf of UHY Ross Brooke

17 November 2022

**Chartered Accountants**  
**Statutory Auditor**

Suite I, Windrush Court  
Abingdon Business Park  
Abingdon  
Oxfordshire

OX14 1SY

# KEL-BERG TRAILER AND TRUCKS LIMITED

## STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2022

	Notes	2022 £	2021 £
<b>Turnover</b>	<b>3</b>	49,211,197	34,225,655
Cost of sales		(44,880,581)	(31,852,291)
<b>Gross profit</b>		4,330,616	2,373,364
Administrative expenses		(1,104,251)	(1,161,073)
Other operating income		-	21,800
<b>Operating profit</b>	<b>4</b>	3,226,365	1,234,091
Interest receivable and similar income	<b>8</b>	98,952	142,096
Interest payable and similar expenses	<b>9</b>	(8,095)	(1,259)
<b>Profit before taxation</b>		3,317,222	1,374,928
Tax on profit	<b>10</b>	(615,768)	(261,592)
<b>Profit for the financial year</b>		2,701,454	1,113,336

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

# KEL-BERG TRAILER AND TRUCKS LIMITED

## STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2022

		2022		2021	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	11		468,771		324,249
Investments	12		20		20
			<u>468,791</u>		<u>324,269</u>
<b>Current assets</b>					
Stocks	13	5,866,735		4,803,780	
Debtors	14	4,625,319		5,725,534	
Cash at bank and in hand		6,656,695		3,483,383	
		<u>17,148,749</u>		<u>14,012,697</u>	
<b>Creditors: amounts falling due within one year</b>	15	(4,511,103)		(3,959,357)	
<b>Net current assets</b>			<u>12,637,646</u>		<u>10,053,340</u>
<b>Total assets less current liabilities</b>			<u>13,106,437</u>		<u>10,377,609</u>
<b>Provisions for liabilities</b>					
Deferred tax liability	16	87,380		60,006	
		<u>(87,380)</u>		<u>(60,006)</u>	
<b>Net assets</b>			<u>13,019,057</u>		<u>10,317,603</u>
<b>Capital and reserves</b>					
Called up share capital	18		2		2
Distributable profit and loss reserves			<u>13,019,055</u>		<u>10,317,601</u>
<b>Total equity</b>			<u>13,019,057</u>		<u>10,317,603</u>

The financial statements were approved by the board of directors and authorised for issue on 16 November 2022 and are signed on its behalf by:

J. Larsen  
Director

Company Registration No. 02657061

## KEL-BERG TRAILER AND TRUCKS LIMITED

### STATEMENT OF CHANGES IN EQUITY

*FOR THE YEAR ENDED 30 JUNE 2022*

	Share capital	Profit and loss reserves	Total
	£	£	£
<b>Balance at 1 July 2020</b>	2	9,204,265	9,204,267
<b>Year ended 30 June 2021:</b>			
Profit and total comprehensive income for the year	-	1,113,336	1,113,336
<b>Balance at 30 June 2021</b>	2	10,317,601	10,317,603
<b>Year ended 30 June 2022:</b>			
Profit and total comprehensive income for the year	-	2,701,454	2,701,454
<b>Balance at 30 June 2022</b>	2	13,019,055	13,019,057

# KEL-BERG TRAILER AND TRUCKS LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2022

		2022	2021
	Notes	£	£
<b>Cash flows from operating activities</b>			
Cash generated from operations	22	3,656,818	2,803,731
Interest paid		(8,095)	(1,259)
Income taxes paid		(273,557)	(137,445)
<b>Net cash inflow from operating activities</b>		<b>3,375,166</b>	<b>2,665,027</b>
<b>Investing activities</b>			
Purchase of tangible fixed assets		(300,777)	(60,740)
Proceeds on disposal of tangible fixed assets		-	22,217
Interest received		98,952	142,096
<b>Net cash (used in)/generated from investing activities</b>		<b>(201,825)</b>	<b>103,573</b>
<b>Financing activities</b>			
Payment of finance leases obligations		-	(6,030)
<b>Net cash used in financing activities</b>		<b>-</b>	<b>(6,030)</b>
<b>Net increase in cash and cash equivalents</b>		<b>3,173,341</b>	<b>2,762,570</b>
Cash and cash equivalents at beginning of year		3,483,354	720,784
<b>Cash and cash equivalents at end of year</b>		<b>6,656,695</b>	<b>3,483,354</b>
<b>Relating to:</b>			
Cash at bank and in hand		6,656,695	3,483,383
Bank overdrafts included in creditors payable within one year		-	(29)

# KEL-BERG TRAILER AND TRUCKS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

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### 1 Accounting policies

#### Company information

Kel-Berg Trailer and Trucks Limited is a private company limited by shares incorporated in England and Wales. The registered office is Kel-Berg House, Middleton Stoney Road, Weston-on-the-Green, Bicester, Oxfordshire, OX25 3TH.

#### 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 £1.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### 1.2 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.

#### 1.3 Turnover

Turnover represents amounts receivable for commercial vehicles and repairs net of VAT.

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

#### 1.4 Tangible fixed assets

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

Qualifying expenditure exceeding £3,000 is capitalised to tangible assets. Capital expenditure below this threshold is expensed to the profit and loss.

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:

Land and buildings freehold	10% reducing balance
Plant and machinery	25% reducing balance
Fixtures, fittings & equipment	25% reducing balance
Motor vehicles	25% reducing balance

#### 1.5 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

# KEL-BERG TRAILER AND TRUCKS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

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### 1 Accounting policies

(Continued)

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 company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

#### 1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount 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 is estimated to be less than its carrying amount, the carrying amount of the asset 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, and reversed if these conditions no longer apply.

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.

#### 1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss.

Reversals of impairment losses are also recognised in profit or loss.

#### 1.8 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.



# KEL-BERG TRAILER AND TRUCKS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

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### 1 Accounting policies

(Continued)

#### 1.9 Financial instruments

The company 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 company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with 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.

##### **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.

##### **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 company 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 company after deducting all of its liabilities.

# KEL-BERG TRAILER AND TRUCKS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

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### 1 Accounting policies

(Continued)

#### **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.

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, if due after one year.

#### **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 company's contractual obligations expire or are discharged or cancelled.

### 1.10 Equity instruments

Equity instruments issued by the company 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 company.

### 1.11 Taxation

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

#### **Current tax**

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

# KEL-BERG TRAILER AND TRUCKS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

### 1 Accounting policies

(Continued)

#### **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 income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### **1.12 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.

#### **1.13 Retirement benefits**

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

#### **1.14 Leases**

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 leases asset are consumed.

#### **1.15 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.

#### **1.16 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.

# KEL-BERG TRAILER AND TRUCKS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

### 2 Judgements and key sources of estimation uncertainty

In the application of the company'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.

#### Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

#### Taxation

Determining income tax provisions involves judgements on the tax treatment of certain transactions. Deferred tax is recognised on accelerated capital allowances where a temporary difference occurs due to the estimated useful economic life of qualifying plant and machinery. The carry value of both current and deferred tax can be seen on note 9 and 20.

#### Useful economic life of tangible fixed assets

The annual depreciation charge of tangible assets is sensitive to changes in the estimated useful economic life and residual values of recognised assets. These estimate are annually reviewed for an amendment in the adopted policy in the assets that are typically exposed to technological advancement, future investments, changes in economic utilisation, and the physical condition of the asset. See notes 10 for the carrying value of thee assets and note 1.5 for the adopted useful economic life of each class of asset.

### 3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2022	2021
	£	£
<b>Turnover analysed by geographical market</b>		
United Kingdom	48,685,245	33,763,190
European Union	525,952	462,465
	<u>49,211,197</u>	<u>34,225,655</u>
	2022	2021
	£	£
<b>Other revenue</b>		
Interest income	98,952	142,096
Grants received	-	21,800
	<u></u>	<u></u>

# KEL-BERG TRAILER AND TRUCKS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

### 4 Operating profit

	2022	2021
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange losses	14,097	109,992
Government grants	-	(21,800)
Depreciation of owned tangible fixed assets	156,255	121,390
Profit on disposal of tangible fixed assets	-	(5,194)
Operating lease charges	150,000	150,000
	<u>          </u>	<u>          </u>

### 5 Auditor's remuneration

	2022	2021
	£	£
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the company	16,500	15,000
	<u>          </u>	<u>          </u>

### 6 Employees

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

	2022	2021
	Number	Number
Management	2	2
Administration	5	6
Workshop	18	15
	<u>          </u>	<u>          </u>
Total	25	23
	<u>          </u>	<u>          </u>

Their aggregate remuneration comprised:

	2022	2021
	£	£
Wages and salaries	830,750	684,387
Social security costs	80,604	61,228
Pension costs	20,801	17,605
	<u>          </u>	<u>          </u>
	932,155	763,220
	<u>          </u>	<u>          </u>

# KEL-BERG TRAILER AND TRUCKS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

<b>7</b>	<b>Directors' remuneration</b>	<b>2022</b>	<b>2021</b>
		<b>£</b>	<b>£</b>
	Remuneration for qualifying services	70,000	70,000
	Company pension contributions to defined contribution schemes	2,100	2,100
		<u>72,100</u>	<u>72,100</u>
<b>8</b>	<b>Interest receivable and similar income</b>	<b>2022</b>	<b>2021</b>
		<b>£</b>	<b>£</b>
	<b>Interest income</b>		
	Other interest income	98,952	142,096
		<u>98,952</u>	<u>142,096</u>
<b>9</b>	<b>Interest payable and similar expenses</b>	<b>2022</b>	<b>2021</b>
		<b>£</b>	<b>£</b>
	<b>Interest on financial liabilities measured at amortised cost:</b>		
	Interest on bank overdrafts and loans	8,095	1,259
		<u>8,095</u>	<u>1,259</u>
<b>10</b>	<b>Taxation</b>	<b>2022</b>	<b>2021</b>
		<b>£</b>	<b>£</b>
	<b>Current tax</b>		
	UK corporation tax on profits for the current period	588,394	273,557
		<u>588,394</u>	<u>273,557</u>
	<b>Deferred tax</b>		
	Origination and reversal of timing differences	27,374	(11,965)
		<u>27,374</u>	<u>(11,965)</u>
	<b>Total tax charge</b>	<b>615,768</b>	<b>261,592</b>
		<u>615,768</u>	<u>261,592</u>

Changes to the UK corporation tax rate from 20% to 19% were enacted from 1 April 2017. Therefore, the current tax rate used is 19%.

# KEL-BERG TRAILER AND TRUCKS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

### 10 Taxation

(Continued)

The actual 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	3,317,222	1,374,928
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	630,272	261,236
Tax effect of expenses that are not deductible in determining taxable profit	(14,504)	356
Taxation charge for the year	615,768	261,592

### 11 Tangible fixed assets

	Land and buildings freehold £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 July 2021	791	1,103,585	126,496	73,707	1,304,579
Additions	-	287,277	-	13,500	300,777
At 30 June 2022	791	1,390,862	126,496	87,207	1,605,356
<b>Depreciation and impairment</b>					
At 1 July 2021	791	804,449	120,498	54,592	980,330
Depreciation charged in the year	-	146,602	1,499	8,154	156,255
At 30 June 2022	791	951,051	121,997	62,746	1,136,585
<b>Carrying amount</b>					
At 30 June 2022	-	439,811	4,499	24,461	468,771
At 30 June 2021	-	299,136	5,998	19,115	324,249

Total assets with a carrying amount of £468,771 (2021 - £324,249) have been pledged to secure borrowings of the company. The company is not allowed to pledge these assets as security for other borrowings or to sell them to another entity.

### 12 Fixed asset investments

	2022 £	2021 £
Listed investments	20	20

# KEL-BERG TRAILER AND TRUCKS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

### 13 Stocks

	2022 £	2021 £
Finished goods and goods for resale	5,866,735	4,803,780

### 14 Debtors

	2022 £	2021 £
<b>Amounts falling due within one year:</b>		
Trade debtors	1,984,193	1,220,059
Other debtors	2,614,276	4,482,449
Prepayments and accrued income	26,850	23,026
	4,625,319	5,725,534

Included in other debtors is an amount of £2,610,576 (2021 £2,705,769) due from a related company, of which £2,636,319 (2021 £2,605,769) is due more than one year from the balance sheet date.

### 15 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Bank loans and overdrafts		-	29
Trade creditors		1,500,386	2,013,906
Corporation tax		588,394	273,557
Other taxation and social security		534,568	521,582
Other creditors		1,835,333	1,101,045
Accruals and deferred income		52,422	49,238
		4,511,103	3,959,357

### 16 Deferred taxation

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

	Liabilities 2022 £	Liabilities 2021 £
<b>Balances:</b>		
Accelerated capital allowances	87,380	60,006



# KEL-BERG TRAILER AND TRUCKS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

### 16 Deferred taxation (Continued)

<b>Movements in the year:</b>	<b>2022</b>
	<b>£</b>
Liability at 1 July 2021	60,006
Charge to profit or loss	27,374
Liability at 30 June 2022	87,380

The value of deferred tax liability set out above that is expected to reverse within 12 months is £22,165 (2021: £15,306) and relates to accelerated capital allowances that are expected to mature within the same period.

### 17 Retirement benefit schemes

<b>Defined contribution schemes</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Charge to profit or loss in respect of defined contribution schemes	20,801	17,605

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

### 18 Share capital

<b>Ordinary share capital</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<b>Issued and fully paid</b>	<b>Number</b>	<b>Number</b>	<b>£</b>	<b>£</b>
Ordinary shares of £1 each	2	2	2	2

The company has one class of ordinary equity share. The shares have full voting rights and no restrictions on distributions.

### 19 Operating lease commitments

#### Lessee

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

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Within one year	150,000	150,000
Between two and five years	-	150,000
	150,000	300,000

# KEL-BERG TRAILER AND TRUCKS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

### 20 Related party transactions

Only the directors of the company are deemed to be Key Management Personnel and the value of compensation is stated on note 6.

#### Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Sale of goods	
	2022	2021
	£	£
Other related parties	444,591	1,470,823
	<u>444,591</u>	<u>1,470,823</u>
	Commissions paid	
	2022	2021
	£	£
Other related parties	1,284,170	723,453
	<u>1,284,170</u>	<u>723,453</u>

#### Rent

During the year the company paid £150,000 (2021: £150,000) to a connected company by those in control. The rent enabled the company to occupy Kel-Berg House, its registered address.

#### Interest

During the year the company recharged interest of £69,700 (2021: £69,700) by a connected company by those in control.

The following amounts were outstanding at the reporting end date:

	2022	2021
	£	£
<b>Amounts owed to related parties</b>		
Other related parties	1,368,760	847,798
	<u>1,368,760</u>	<u>847,798</u>
	2022	2021
	£	£
<b>Amounts owed by related parties</b>		
Other related parties	2,610,576	4,482,449
	<u>2,610,576</u>	<u>4,482,449</u>

At the reporting date outstanding balances between various connected UK and overseas based companies that carry out specific complimentary services to complete the company's business activities, all were conducted under normal market conditions; charging interest of 4%. These loans have since been settled in the current year. These entities are all owed by those with control, and have been referred to as other related parties in these financial statements.

### 21 Ultimate controlling party

The ultimate controlling party is Mr J K Larsen.

# KEL-BERG TRAILER AND TRUCKS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

### 22 Cash generated from operations

	2022 £	2021 £
Profit for the year after tax	2,701,454	1,113,336
<b>Adjustments for:</b>		
Taxation charged	615,768	261,592
Finance costs	8,095	1,259
Investment income	(98,952)	(142,096)
Gain on disposal of tangible fixed assets	-	(5,194)
Depreciation and impairment of tangible fixed assets	156,255	121,390
<b>Movements in working capital:</b>		
(Increase)/decrease in stocks	(1,062,955)	778,575
Decrease/(increase) in debtors	1,100,215	(308,268)
Increase in creditors	236,938	983,137
<b>Cash generated from operations</b>	<b>3,656,818</b>	<b>2,803,731</b>

### 23 Analysis of changes in net funds

	1 July 2021 £	Cash flows £	30 June 2022 £
Cash at bank and in hand	3,483,383	3,173,312	6,656,695
Bank overdrafts	(29)	29	-
	<u>3,483,354</u>	<u>3,173,341</u>	<u>6,656,695</u>

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.