Rudolph & Hellmann Automotive Limited

Registered number: 03881895

Annual report and financial statements

For the year ended 31 December 2022

RUDOLPH & HELLMANN AUTOMOTIVE LIMITED

COMPANY INFORMATION

Directors	R Just T Rudolph M Fellmann M Fedorowicz
Company secretary	P Brown
Registered number	03881895
Registered office	Charter House Sandford Street Lichfield Staffordshire WS13 6QA
Independent auditor	Mazars LLP Chartered Accountants & Statutory Auditor 5th Floor 3 Wellington Place Leeds LS1 4AP
Bankers	Yorkshire Bank 14 Broadway Bradford West Yorkshire BD1 1EZ

CONTENTS

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

Introduction

The directors present their Strategic Report and the financial statements for the year ended 31 December 2022.

Business review

The trading performance of the business for 2022 was strong despite some significant operational challenges. During the first half year the business experienced volume disruption from unplanned shutdown weeks as a result of the conflict in Ukraine as well as unplanned stand down days due to supply issues in relation to worldwide supply of semi-conductors. The second pressure was a shortage of labour and retention of staff from market pressures on wage rates which continued to add significant cost as additional overtime was used to fill the resource gap. Nevertheless the business continued to deliver financially through effective leadership and strong operational management.

2023 is expected to be challenging from continued risks across supply through semi-conductors as well as global demand uncertainty in the automotive sector from inflationary pressure on households discretionary income.

Principal risks and uncertainties

Operational risk management - Rudolph & Hellmann Automotive Ltd remain committed to becoming the leading automotive logistics provider within the United Kingdom. The Company is fully aware that the automotive sector remains vulnerable to the ever-changing customer demand in new vehicles. We believe that we can continue to react and adjust our business model accordingly to match our customers' demands quickly, thus minimising any risk to our own business. The Company endeavours to maintain adequate insurance levels for all appropriate insurable risks.

Financial risk management - financial risks are managed through strict internal management controls and accurate timely management information. Individual contracts are closely monitored to identify potential issues and ensure that contracts are delivered at a margin that is acceptable to the directors.

Cash flow risk management - cash flow risk is managed through regular Cashflow forecasting to ensure the business can proceed with its planned trading operations within its available finance facilities.

Brexit

The demographics of the workforce during 2022 continued from the prior year as more European labour moved back to the continent. A shortage of skilled labour is still a challenge going into 2023 despite increased wages driven from inflation.

Outside of the risks associated with the Company's major customer, the Company is committed to sustaining its employed direct labour force. The directors feel that any impact of Brexit on the UK labour supply will have limited impact on the day to day operations of the business.
The Company has minimal exposure to foreign currency fluctuations.

COVID 19

Covid 19 has had lesser impact in 2022 than the prior year but is still a day to day operational risk that is addressed through strong operational management and fast and effective decision making.
Key risks across workforce resourcing and customer demand are under regular review. Volume risk from customer demand and supply risk from the continued availability of key parts for our customers remain .Demand for cars from our customers for the next 12 months continues to be a risk yet the business is agile in being able to respond accordingly to labour resource to match any changes in car build.

Financial key performance indicators

Management use a range of performance measures to monitor and manage the business. The performance measures are split into financial and non-financial key performance indicators as set out below.

	31 December 2022	31 December 2021
Turnover	£34,157,899	£30,559,268
Gross profit	£6,290,562	£6,502,697
Gross profit	18.42%	21.27%
Operating profit	£2,763,472	£3,362,665
Employees	555	609

The business uses a range of operational KPI measures to monitor its overall contractual performance. These measures show continual consistent performance over the period reported.

This report was approved by the board on 14 February 2023 and signed on its behalf.

P Brown
Secretary

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

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

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and 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 for the Company's financial statements and then apply them consistently;
- make judgments 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

The principal activity of the Company is that of a provider of dedicated on-site production and reverse logistics for the automotive sector in the UK.

Results and dividends

The profit for the year, after taxation, amounted to £2,378,580 (2021 - £3,154,855).

The dividends for the year amounted to £1,600,000 (2021 - £2,572,000)

Directors

The directors who served during the year were:

R Just
T Rudolph
P J H Wijnen (resigned 31 March 2022)
M Fellmann
M Fedorowicz (appointed 1 June 2022)

Future developments

The directors continue to remain focused on growing the Company's portfolio, whilst ensuring its current customers continue to receive the highest possible service. Rudolph & Hellmann Automotive Limited continue to seek opportunities for growth with both existing and new customers.

Engagement with employees

The Company's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information on matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the Group's performance.

Disabled employees

The Company's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate for their aptitudes and abilities.

Qualifying third party indemnity provisions

The Company maintains insurance policies on behalf of all the directors against liability arising from negligence, breach of duty and breach of trust in relation to the Company.

Matters covered in the Strategic Report

Certain information is not shown in the Directors' Report because it is shown in the Strategic Report instead under s414C(11). The Strategic Report includes a business review, information on principal risks & uncertainties as well as information on both financial & non-financial key performance indicators.

Going concern

The directors have prepared financial projections which forecast profitability. These forecasts show that the Company should be able to operate within its available banking facilities. As a consequence, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the going concern basis of accounting continues to be appropriate in preparing the financial statements.

The directors have considered a period in excess of twelve months from the date of approval of these financial statements in making this assessment.

General
Interest rates have increased from historic lows in 2022 adding more cost to households through mortgages and loan finance costs on top of the increased energy and food inflation. Growth forecasts for the UK are being downgraded, the overall sentiment is currently subdued and challenging. However increased focus on sustainable resources through electric vehicles does provide some optimism for the future.

Brexit and Supply
Despite our customers having executed pre planned contingency measures against supply continuity in 2022, the conflict in Ukraine added some unplanned supply issues resulting in immediate shutdown weeks followed by a number of shutdown days during the year from a shortage of some major components as well as supply of semi-conductors. This meant RHA had to balance its resource accordingly to avoid as a consequence being left with excessive cost.

For 2023 we would anticipate potential supply priority challenges and volume uncertainty could result in changes to car build. Our customers continue to make contingency plans with their strong procurement and transportation abilities to help mitigate any risks as far as they are able.

COVID-19
The business recognises that COVID 19 is a continuing risk to the business and is encompassed in the day to day risk management and operational behaviours.

The key risks the directors see in the coming months and how they are being addressed are listed below:

Demand for cars and flexed resources
Given inflationary pressures within the context of the UK and European automobile industry, there may well be a risk of households having continued pressure on discretionary spending, of which car purchases may be included. If that were to be the case, then the Company would be able to balance the revised resource requirements to match against the reduced revenue expectation. This would be well planned to allow the Company to flex its temporary labour quota to align with customers' demand requirements.

Alternatively, for those households with more security of finance the outlook to reduce carbon footprints is creating demand for electric vehicles of which our customers are ensuring production capacity is available.

As labour cost forms most of the Company's expenditure the ability of temporary labour has always continued to provide protection to the main RHA workforce. In 2022 even this security gave issues for availability led out of competing rates per hour for that resource. In addition, the Company's pressure on increased costs from above inflation pay where demands for large increases in excess of budgetary constraints has proved challenging.

This adds risk to cost pressures in 2023 combined with volume uncertainty for the year means that RHA will be prepared to take actions if any reduction in demand materialises.

Resource supply and availability

In the current COVID-19 surroundings the business is fully aware of the responsibilities to its workforce in terms of keeping its people safe as well as secure in tenure of employment. The Company strives to keep its employees safe in their working environment and will to continue to do so as the current situation around the virus develops. The business knows it is vital to secure its workforce and ensure staff retention to required levels to meet its customers' current and flexible future needs.

Liquidity and Balance Sheet strength

The business recognises the uncertain times ahead. By ensuring the business takes the appropriate steps above to secure its resources against its cost base and by minimising working capital by effective credit and supplier management, the Company can have a reasonable expectation of future cash flows.

It has also considered contingencies around changing its dividend profile should profitability be more challenging to achieve. This could require the consideration of increased retained earnings to weather any potential downturns in the future. The Company has a good relationship with its banking partner who works together with the business to manage any short term need for available funds if circumstances require. This is a particular strength that can be relied on over the next 12 month time horizon with banking facilities already secured.

Economic impact of global events

UK businesses are currently facing many uncertainties such as the consequences of Brexit, Covid 19, environmental sustainability and geopolitical events such as the Russian invasion of Ukraine. These uncertainties have contributed to an environment where there exists a range of issues and risks, including inflation, rising interest rates, labour shortages, disrupted supply chains and new ways of working.

The Directors have carried out an assessment of the potential impact of these uncertainties on the business, including the impact of mitigation measures, and have concluded that these are non-adjusting events with the greatest impact on the business expected to be from the economic ripple effect on the global economy. The Directors have taken account of these potential impacts in their going concern assessment.

Rudolph & Hellmann Automotive Limited continues to work with its partners to minimise any impacts of these events and maximise the realisation of any opportunities they may provide to the business.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

Disclosure of information to auditor

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

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

Auditor

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

This report was approved by the board on 14 February 2023 and signed on its behalf.

P Brown
Secretary

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RUDOLPH & HELLMANN AUTOMOTIVE LIMITED

Opinion

We have audited the financial statements of Rudolph & Hellmann Automotive Limited (the 'Company') for the year ended 31 December 2022 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 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 significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The 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 the 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.

Matters on which we are required to report by exception

In 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RUDOLPH & HELLMANN AUTOMOTIVE LIMITED

Responsibilities of Directors

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

In preparing the financial statements, the directors are responsible for assessing the 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 intend either 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.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the Company and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, anti-money laundering regulation, non-compliance with implementation of government support schemes relating to COVID-19.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Companies Act 2006.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, fraud related to revenue recognition (which we pinpointed to the completeness assertion), and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

Use of the audit 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.

Christopher Hudson (Senior statutory auditor)

for and on behalf of

Mazars LLP

Chartered Accountants and Statutory Auditor

5th Floor

3 Wellington Place
Leeds
LS1 4AP

17 February 2023

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £	2021 £
Turnover	4	34,157,899	30,559,268
Cost of sales		(27,867,337)	(24,056,571)
Gross profit		6,290,562	6,502,697
Administrative expenses		(3,527,090)	(3,723,017)
Other operating income	5	-	582,985
Operating profit	6	2,763,472	3,362,665
Interest receivable and similar income	9	50,670	3,507
Interest payable and similar expenses	10	-	(143)
Profit before tax		2,814,142	3,366,029
Tax on profit	11	(435,562)	(211,174)
Profit for the financial year		2,378,580	3,154,855

There were no recognised gains and losses for 2022 or 2021 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2022 (2021:£NIL).

The notes on pages 16 to 29 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note		2022 £		2021 £
Fixed assets					
Intangible assets	13		49,230		61,841
Tangible assets	14		94,691		159,950
			143,921		221,791
Current assets					
Debtors: amounts falling due within one year	15	6,572,793		6,694,760	
Cash at bank and in hand	16	1,723,705		1,076,588	
		8,296,498		7,771,348	
Creditors: amounts falling due within one year	17	(4,537,278)		(4,852,003)	
Net current assets			3,759,220		2,919,345
Total assets less current liabilities			3,903,141		3,141,136
Provisions for liabilities					
Deferred tax	18	(6,785)		(23,360)	
			(6,785)		(23,360)
Net assets			3,896,356		3,117,776
Capital and reserves					
Called up share capital	19		50,004		50,004
Profit and loss account	20		3,846,352		3,067,772
			3,896,356		3,117,776

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 14 February 2023.

R Just
Director

The notes on pages 16 to 29 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2021	50,004	2,484,917	2,534,921
Comprehensive income for the year			
Profit for the year	-	3,154,855	3,154,855
Total comprehensive income for the year	-	3,154,855	3,154,855
Contributions by and distributions to owners			
Dividends: Equity capital	-	(2,572,000)	(2,572,000)
Total transactions with owners	-	(2,572,000)	(2,572,000)
At 1 January 2022	50,004	3,067,772	3,117,776
Comprehensive income for the year			
Profit for the year	-	2,378,580	2,378,580
Total comprehensive income for the year	-	2,378,580	2,378,580
Contributions by and distributions to owners			
Dividends: Equity capital	-	(1,600,000)	(1,600,000)
Total transactions with owners	-	(1,600,000)	(1,600,000)
At 31 December 2022	50,004	3,846,352	3,896,356

The notes on pages 16 to 29 form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022	2021
	£	£
Cash flows from operating activities		
Profit for the financial year	2,378,580	3,154,855
Adjustments for:		
Amortisation of intangible assets	12,611	1,213
Depreciation of tangible assets	65,259	109,114
Interest paid	-	143
Interest received	(50,670)	(3,507)
Taxation charge	435,562	211,174
Decrease/(increase) in debtors	121,967	(5,302,214)
(Decrease)/increase in creditors	(261,043)	1,187,068
Corporation tax (paid)	(505,819)	(115,260)
Net cash generated from operating activities	2,196,447	(757,414)
Cash flows from investing activities		
Purchase of intangible fixed assets	-	(17,784)
Purchase of tangible fixed assets	-	(49,471)
Interest received	50,670	3,507
Net cash from investing activities	50,670	(63,748)
Cash flows from financing activities		
Dividends paid	(1,600,000)	(2,572,000)
Interest paid	-	(143)
Net cash used in financing activities	(1,600,000)	(2,572,143)
Net increase/(decrease) in cash and cash equivalents	647,117	(3,393,305)
Cash and cash equivalents at beginning of year	1,076,588	4,469,893
Cash and cash equivalents at the end of year	1,723,705	1,076,588
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	1,723,705	1,076,588
	1,723,705	1,076,588

1. General information

Rudolph & Hellmann Automotive Limited ("the Company") is a private company, limited by shares, incorporated in England and Wales with its registered number is 03881895. The address of its registered office and principal place of business is Charter House, Sandford Street, Lichfield, Staffordshire, WS13 6QA.

The principal activity of the Company is that of a provider of dedicated on-site production and reverse logistics for the automotive sector in the UK.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

These financial statements have been presented in pound sterling which is the functional currency of

the Company, and rounded to the nearest £.

The following principal accounting policies have been applied:

2.2 Going concern

The directors have prepared financial projections which forecast profitability. These forecasts show that the company should be able to operate within its available banking facilities. As a consequence, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the going concern basis of accounting continues to be appropriate in preparing the financial statements.

The directors have considered a period in excess of twelve months from the date of approval of these financial statements in making this assessment.

2.3 Revenue

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

Rendering of services

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

- the amount of revenue can be measured reliably; and

- it is probable that the Company will receive the consideration due under the contract.

2. Accounting policies (continued)

2.4 Operating leases: the Company as lessee

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

2.5 Government Grants

In prior years, the UK government offered a range of financial support packages to help companies, including government backed financing arrangements and furlough schemes. Of the offered schemes, the company used the furlough scheme in 2021. The income from the furlough scheme was recognised within 'Other operating income' and when the entity had reasonable assurance that they had complied with the conditions attaching the grant.

2.6 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.7 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2. Accounting policies (continued)

2.8 Current and deferred taxation

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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

Consortium relief is not accrued at the year-end on the basis its availability is not certain and it cannot be measured reliably at the year end.

2.9 Intangible assets

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

Capitalised computer software costs are not amortised when the software is not yet ready for use.

Amortisation is provided on the following bases:

Computer Software	-	5 years straight line

2. Accounting policies (continued)

2.10 Tangible fixed assets

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

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant & machinery	- 1-4 years
Fixtures & fittings	- 3-5 years

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.11 Debtors

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

2.12 Cash and cash equivalents

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

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

2.13 Creditors

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

2. Accounting policies (continued)

2.14 Provisions for liabilities

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

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.15 Financial instruments

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

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

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

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

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

2.16 Dividends

Equity dividends are recognised when they are declared.

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

In applying the Company's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The directors' judgements, estimates and assumptions are based on the most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

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, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Critical judgements in applying the accounting policies

The directors have considered whether they have had to make any critical judgements in the process of applying the Company's accounting policies that have had a significant effect on the amounts recognised in the financial statements. The directors do not consider any judgements made to be of such significance that they would be deemed critical.

Key sources of estimation uncertainty

The directors have considered whether they have had to make any accounting estimates that carry a significant risk of having a material impact on the financial statements for the financial year ending 31 December 2023 or beyond. The directors do not believe these financial statements contain any accounting estimates that are of such significance that they meet that criteria.

4. Turnover

An analysis of turnover by class of business is as follows:

	2022 £	2021 £
Provision of logistics services	34,157,899	30,559,268

All turnover arose within the United Kingdom.

5. Other operating income

	2022 £	2021 £
Government grants receivable	-	582,985

6. Operating profit

The operating profit is stated after charging:

	2022 £	2021 £
Depreciation of tangible fixed assets	65,259	109,114
Amortisation of intangible assets	12,611	1,213
Other operating lease rentals	43,500	43,500
Operating lease rentals - plant and machinery	113,009	105,955
Defined contribution pension cost	414,217	381,079

7. Auditor's remuneration

During the year, the Company obtained the following services from the Company's auditor:

	2022 £	2021 £
Fees payable to the Company's auditor for the audit of the Company's financial statements	30,000	27,450

8. Employees

Staff costs were as follows:

	2022 £	2021 £
Wages and salaries	17,111,763	17,127,737
Social security costs	1,712,047	1,554,026
Cost of defined contribution scheme	414,217	381,079
	19,238,027	19,062,842

Directors were remunerated via other companies. There was no directors' remuneration paid by the Company during the year (2021: £NIL).

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

	2022 No.	2021 No.
Operational Staff	377	513
Administrative Staff	178	96
	555	609

The directors of the business are also considered to be the key management personnel.

9. Interest receivable

	2022 £	2021 £
Other interest receivable	50,670	3,507

10. Interest payable and similar expenses

	2022 £	2021 £
Bank interest payable	-	143

11. Taxation

	2022 £	2021 £
Corporation tax		
Current tax on profits for the year	587,087	647,340
Adjustments in respect of previous periods	(134,950)	(443,669)
Total current tax	452,137	203,671
Deferred tax		
Origination and reversal of timing differences	(12,546)	(10,068)
Adjustments in respect of prior periods	(67)	9,548
Effect of tax rate change on opening balance	(3,962)	8,023
Total deferred tax	(16,575)	7,503
Taxation on profit on ordinary activities	435,562	211,174

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2021 - lower than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Profit on ordinary activities before tax	2,814,142	3,366,029
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	534,687	639,546
Effects of:		
Expenses not deductible for tax purposes	36,878	143
Adjustments to tax charge in respect of prior periods	(134,950)	(443,669)
Adjustment to deferred tax charge in respect of prior periods	(67)	9,548
Remeasurement of deferred tax for changes in tax rates	(3,397)	5,606
Other differences leading to an increase in the tax charge	2,411	-
Total tax charge for the year	435,562	211,174

11. Taxation (continued)

Factors that may affect future tax charges

The UK Government announced in the 2021 budget that from 1 April 2023, the rate of corporation tax in the United Kingdom will increase from 19% to 25%. Companies with profits of £50,000 or less will continue to be taxed at 19%, which is a new small profits rate. Where taxable profits are between £50,000 and £250,000, the higher 25% rate will apply but with a marginal relief applying as profits increase.

The prior year adjustments to the corporation tax charge noted above relate mainly to the receipt of Consortium relief which the Company has historically benefited from. Consortium relief is accounted for in the period it is received and not accrued for at the year end. At the year-end the availability of consortium relief is not certain and cannot be measured reliably.

12. Dividends

	2022 £	2021 £
Dividends declared	1,600,000	2,572,000

13. Intangible assets

	Computer software £
Cost	
At 1 January 2022	63,054
At 31 December 2022	63,054
Amortisation	
At 1 January 2022	1,213
Charge for the year	12,611
At 31 December 2022	13,824
Net book value	
At 31 December 2022	49,230
At 31 December 2021	61,841

14. Tangible fixed assets

	Plant & machinery	Fixtures & fittings	Total
	£	£	£
Cost			
At 1 January 2022	46,000	858,176	904,176
At 31 December 2022	46,000	858,176	904,176
Depreciation			
At 1 January 2022	46,000	698,226	744,226
Charge for the year	-	65,259	65,259
At 31 December 2022	46,000	763,485	809,485
Net book value			
At 31 December 2022	-	94,691	94,691
At 31 December 2021	-	159,950	159,950

15. Debtors

	2022	2021
	£	£
Trade debtors	3,757,771	4,083,714
Other debtors	159,858	-
Prepayments and accrued income	2,655,164	2,611,046
	6,572,793	6,694,760

16. Cash and cash equivalents

	2022	2021
	£	£
Cash at bank and in hand	1,723,705	1,076,588

The Company has an overdraft facility with Clydesdale Bank Plc which is secured by a fixed & floating charge over the assets of the business. As at 31 December 2022 the overdraft balance was £NIL (2021: £NIL).

17. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	1,115,012	1,119,374
Amounts owed to group undertakings	2,500	2,500
Corporation tax	584,111	637,793
Other taxation and social security	1,413,333	1,522,659
Other creditors	99,583	328,232
Accruals and deferred income	1,322,739	1,241,445
	4,537,278	4,852,003

18. Deferred taxation

	2022 £	2021 £
At beginning of year	(23,360)	(15,857)
Charged to profit or loss	16,575	(7,503)
At end of year	(6,785)	(23,360)

The provision for deferred taxation is made up as follows:

	2022 £	2021 £
Fixed asset timing differences	(22,076)	(38,584)
Unpaid pension contributions	15,291	15,224
	(6,785)	(23,360)

19. Share capital

	2022	2021
	£	£
Authorised, allotted, called up and fully paid		
25,000 (2021 - 25,000) Ordinary A shares of £1.00 each	25,000	25,000
25,000 (2021 - 25,000) Ordinary B shares of £1.00 each	25,000	25,000
2 (2021 - 2) Ordinary C shares of £1.00 each	2	2
2 (2021 - 2) Ordinary D shares of £1.00 each	2	2
	50,004	50,004

The A shares and B shares have equal voting rights and can participate in any distributions declared on that particular class of share.

The C shares and D shares carry no voting rights and can participate in any distributions declared on that particular class of share.

20. Reserves

Profit & loss account

This reserve represents historic cumulative profits and losses less historic cumulative dividend declarations.

21. Analysis of net debt

	At 1 January 2022	Cash flows	At 31 December 2022
	£	£	£
Cash at bank and in hand	1,076,588	647,117	1,723,705
	1,076,588	647,117	1,723,705

22. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £414,217 (2021: £381,079). Contributions totaling £59,241 (2021: £122,044) were payable to the fund at the reporting date.

23. Commitments under operating leases

At 31 December 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £	2021 £
Not later than 1 year	64,591	75,466
Later than 1 year and not later than 5 years	96,886	193,773
	161,477	269,239

24. Related party transactions

The shareholders of the Company are Rudolph Holdings GmbH, a company incorporated in Germany, and Hellmann Worldwide Logistics Limited, a company incorporated in England. These companies are both shareholders of the Company and each own 50% of the voting rights of the Company.

Hellmann Worldwide Logistics Limited and Rudolph Holdings GmBH collectively charged the Company management fees of £125,000 (2021: £125,000) during the financial year ended 31 December 2022.

Support costs from Rudolph Holdings GmBH totaling £13,175 (2021: £Nil) were recharged to the Company during the financial year ended 31 December 2022.

As at 31 December 2022, the Company owed to Hellmann Worldwide Logistics Limited £2,500 (2021: £2,500) and owed to Rudolph Holdings GmBH £Nil (2021: £8,333).

25. Post balance sheet events

Dividends of £1,150,000 were declared post year end.

26. Controlling party

In the opinion of the directors there is no controlling party.

The shareholders of the Company are Rudolph Holdings GmbH, a company incorporated in Germany, and Hellmann Worldwide Logistics Limited, a company incorporated in England and Wales. These companies are both shareholders of the Company and each own 50% of the voting rights of the Company.