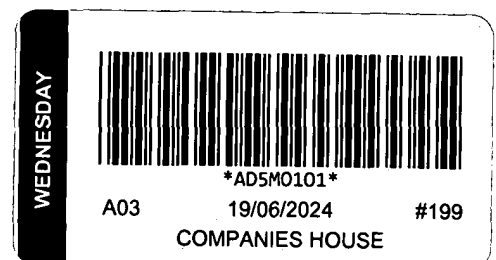


A.B.E. (LEDBURY) LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023



A.B.E. (LEDBURY) LIMITED

COMPANY INFORMATION

Directors	G Baker C Brooks G Leitch P E Elson
Company secretary	M L Roder (resigned 8 December 2023)
Registered number	02397136
Registered office	The Palletline Centre Starley Way Birmingham West Midlands B37 7HB
Independent auditor	Cooper Parry Group Limited Statutory Auditor Cubo Birmingham Office 401, 4th Floor Two Chamberlain Square Birmingham B3 3AX

A.B.E. (LEDBURY) LIMITED

CONTENTS

	Page
Strategic report	1
Directors' report	2 - 3
Independent auditor's report	4 - 7
Profit and loss account	8
Balance sheet	9
Notes to the financial statements	10 - 25

A.B.E. (LEDBURY) LIMITED**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023****Introduction**

The directors present the strategic report for the period ended 31 December 2023.

Business Review

The company's principal activities are the distribution of palletised goods throughout the UK and provision of managed warehousing solutions primarily in Herefordshire and Worcestershire regions.

Overall revenue declined by 8% on a like for like basis due to the overall tightness in the UK economy, with the margin reducing to 17.6% impacted by increased fuel costs and agency driver costs. Overhead costs increased mainly due to higher than budgeted energy costs.

	12 months to 31 December 2023 £'000	18 months to 31 December 2022 £'000
Sales	7,489,566	12,074,532
EBITDA	684,710	1,445,213

Principal risks and uncertainties

The business is directly influenced by the state of the UK and Global economy. The energy crisis, cost of living increase and conflict in Eastern Europe suppressed activity during the year and reduced profitability.

The directors continually monitor results and review contingency plans to mitigate any reduction of activity and early indications in 2024 are that the business is stabilising.

The company's financial risks and uncertainties and future and research development and employee engagement has been referred to in the consolidated financial statements of Palletline Limited.

This report was approved by the board and signed on its behalf by:

DocuSigned by:

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G Leitch
 Director

Date: 30 May 2024

A.B.E. (LEDBURY) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

The directors present their report and the financial statements for the year ended 31 December 2023.

Principal activities

The company's principal activities are the distribution of palletised goods throughout the UK and the supply of warehousing services, with particular focus on Herefordshire and Worcestershire.

Results and dividends

The loss for the year, after taxation, amounted to £102,211 (18 month period ended 31 December 2022: profit £697,434).

The directors do not recommend the payment of a dividend (18 month period ended 31 December 2022: £Nil). No dividends have been declared or paid post year end.

Directors

The directors who served during the year were:

G Baker
C Brooks
G Leitch
P E Elson

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 judgements and accounting estimates that are reasonable and prudent; and
- 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.

Matters covered in the Strategic Report

The company has chosen, in accordance with s414C(11) of the Companies Act, to set out in the company's strategic report information which would otherwise be required by Schedule 7 of the 'Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008' to be contained in the directors' report. Information on principal risks and uncertainties, and future developments has been included in the strategic report.

A.B.E. (LEDBURY) LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

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

Auditor

The auditor, Cooper Parry Group Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

DocuSigned by:

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G Leitch
Director

Date: 30 May 2024

A.B.E. (LEDBURY) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF A.B.E. (LEDBURY) LIMITED

Opinion

We have audited the financial statements of A.B.E. (Ledbury) Limited ('the company') for the year ended 31 December 2023, which comprise the profit and loss account, the balance sheet and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2023 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 United Kingdom, including the Financial Reporting Council'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.

A.B.E. (LEDBURY) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF A.B.E. (LEDBURY) LIMITED (CONTINUED)

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.

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

A.B.E. (LEDBURY) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF A.B.E. (LEDBURY) LIMITED (CONTINUED)

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 2, 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, are detailed below:

Our assessment focussed on key laws and regulations the company has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included, but were not limited to, compliance with the Companies Act 2006, United Kingdom Generally Accepted Accounting Practice and relevant tax legislation.

We are not responsible for preventing irregularities. Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence where applicable; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

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

A.B.E. (LEDBURY) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF A.B.E. (LEDBURY) LIMITED (CONTINUED)

Auditor's responsibilities for the audit of the financial statements (continued)

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

- tested a sample of journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining accounting estimates were indicative of potential bias, in particular the company's assessment over debtor recoverability;
- investigated the rationale behind significant or unusual transactions; and
- reviewed nominals of certain nominal codes for indication of any management override.

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

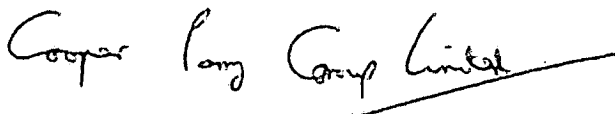
- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and associated parties.

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

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

Use of our report

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



Paul Rowley BA ACA (Senior Statutory Auditor)

for and on behalf of
Cooper Parry Group Limited

Statutory Auditor

Cubo Birmingham
Office 401, 4th Floor
Two Chamberlain Square
Birmingham
B3 3AX

Date: 30 May 2024

A.B.E. (LEDBURY) LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2023

		Year ended 31 December 2023 £	Period ended 31 December 2022 £
	Note		
Turnover	3	7,489,566	12,074,532
Cost of sales		(6,164,177)	(9,636,642)
Gross profit		<u>1,325,389</u>	<u>2,437,890</u>
Administrative expenses		(1,136,093)	(1,582,283)
Operating profit	4	189,296	855,607
Interest payable and similar expenses	7	(64,400)	(67,758)
Profit before tax		<u>124,896</u>	<u>787,849</u>
Tax on profit	8	(227,107)	(90,415)
(Loss)/profit after tax		<u><u>(102,211)</u></u>	<u><u>697,434</u></u>
Retained earnings at the beginning of the year/period		2,841,071	2,143,637
Profit for the year/period		(102,211)	697,434
Retained earnings at the end of the year/period		<u><u>2,738,860</u></u>	<u><u>2,841,071</u></u>

There were no recognised gains and losses for 2023 or 2022 other than those included in the profit and loss account.


The notes on pages 10 to 25 form part of these financial statements.

A.B.E. (LEDBURY) LIMITED
REGISTERED NUMBER: 02397136

BALANCE SHEET
AS AT 31 DECEMBER 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	9	10,917	1,556
Tangible assets	10	3,943,460	3,511,335
Investments	11	-	3,700
		<u>3,954,377</u>	<u>3,516,591</u>
Current assets			
Stocks	12	66,479	28,429
Debtors	13	1,068,599	1,763,372
Cash at bank and in hand		580,130	521,155
		<u>1,715,208</u>	<u>2,312,956</u>
Creditors: amounts falling due within one year	14	<u>(1,145,934)</u>	<u>(1,240,728)</u>
Net current assets		569,274	1,072,228
		4,523,651	4,588,819
Creditors: amounts falling due after more than one year	15	(1,383,653)	(1,573,717)
Provisions for liabilities			
Deferred tax	18	(401,078)	(173,971)
Net assets		<u>2,738,920</u>	<u>2,841,131</u>
Capital and reserves			
Called up share capital	19	60	60
Profit and loss account	20	2,738,860	2,841,071
Shareholders' funds		<u>2,738,920</u>	<u>2,841,131</u>

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

DocuSigned by:

825887D87456431...

G Leitch
Director

Date: 30 May 2024

The notes on pages 10 to 25 form part of these financial statements.

A.B.E. (LEDBURY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1. Accounting policies

1.1 Basis of preparation of financial statements

A.B.E. (Ledbury) Limited is a limited liability company incorporated and domiciled in the United Kingdom. The address of its registered office is shown on the company information page.

The financial statements are prepared in Sterling (£) which is the functional currency of the company. The financial statements are for the year ended 31 December 2023 (2022: 18 month period ended 31 December 2022).

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 judgement in applying the company accounting policies (see note 2).

The following principal accounting policies have been applied:

1.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Palletline Limited as at 31 December 2023 and these financial statements may be obtained from its registered office.

1.3 Going concern

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

The parent company has confirmed that, if required, it will provide financial support as necessary to enable the company to meet its liabilities as they fall due, and will not seek repayment of balances until the company has sufficient financial resources to enable any payment to be made without detriment to the company's trading position.

On this basis, the directors are confident that the company has adequate resources to continue in operation and, accordingly, have adopted the going concern basis in preparing the financial statements.

A.B.E. (LEDBURY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1. Accounting policies (continued)

1.4 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. Turnover 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 turnover can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

The above conditions are satisfied when the service is complete, which is generally upon completion of delivery.

1.5 Leasing and hire purchase

Assets that are held by the company under leases which transfer substantially all the risk and rewards of ownership are classified as being held under hire purchase or finance lease. Leases which do not transfer substantially all the risk and rewards of ownership are classified as operating leases.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such arrangements are included in creditors net of the finance charge allocated to future periods.

The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.6 Finance costs

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

1.7 Pensions

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 the profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

A.B.E. (LEDBURY) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

1. Accounting policies (continued)

1.8 Current and deferred taxation

The tax charge for the year comprises of current and deferred tax.

Current tax is recognised for the amount of corporation tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only 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.

Deferred tax is calculated using the tax rates and laws that have been enacted to substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

1.9 Intangible assets

Other intangible assets

Intangible assets purchased other than in a business combination are recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

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

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

The estimated useful lives range as follows:

Computer software	-	3 - 5 years
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Amortisation is revised prospectively for any significant change in useful life or residual value.

On disposal, the difference between the net disposal proceeds and the carrying amount of the intangible asset is recognised in the profit and loss account.

A.B.E. (LEDBURY) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

1. Accounting policies (continued)

1.10 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:

Improvements to property	-	10% straight line
Freehold property	-	4% straight line
Plant and machinery	-	33% straight line
Motor vehicles	-	20% straight line
Computer equipment	-	33% straight line

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

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

1.11 Investments

Investments in unlisted company shares, which have been classified as fixed asset investments as the company intends to hold them on a continuing basis, are measured at cost less accumulated impairment.

1.12 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the profit and loss account.

1.13 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

A.B.E. (LEDBURY) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

1. Accounting policies (continued)

1.14 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 the profit and loss account in the year that the company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

A.B.E. (LEDBURY) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

1. Accounting policies (continued)

1.15 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.

All financial assets and liabilities are initially measured at transaction price and subsequently measured at amortised cost, less any impairment.

Financial assets that are measured at amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the profit and loss account. Any impairment loss is based on the difference between the asset's carrying value and the best estimate of its recoverable value at the balance sheet date.

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

In applying the company's accounting policies set out above, management is required to make certain estimates and judgements concerning the future. These judgements are regularly reviewed and updated as necessary. The estimates and judgements that have the most significant effect on the amounts included in these financial statements are as follows:

Intangible assets and amortisation

The company is required to determine the fair value of intangible assets and estimate the useful economic life of those assets in order to determine appropriate amortisation rates. Both the initial valuation and the assessment of the assets' useful economic life require significant assumptions to be made. Changes in these underlying assumptions could have a significant impact on the carrying value of these assets.

Useful lives of tangible fixed assets

Depreciation is provided so as to write down the assets to their residual values over their estimated useful lives as set out in the company's accounting policies. The selection of these estimated lives requires the exercise of management judgement. Useful lives are regularly reviewed and should management's assessment of useful lives shorten the depreciation charges in the financial statements would increase and carrying amounts of the assets would reduce accordingly.

Trade debtors

The company reviews the recoverability of trade debtors and makes allowances for doubtful debts where considered appropriate.

A.B.E. (LEDBURY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**3. Turnover**

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

	Year ended 31 December 2023 £	Period ended 31 December 2022 £
Distribution	7,379,025	11,923,830
Warehousing	73,674	96,961
Rental Income	36,867	53,741
	<u>7,489,566</u>	<u>12,074,532</u>

All turnover arose within the United Kingdom.

4. Operating profit

The operating profit is stated after charging/(crediting):

	Year ended 31 December 2023 £	Period ended 31 December 2022 £
Depreciation of tangible assets	493,109	585,386
Amortisation on intangible assets	2,305	4,220
Profit on disposal of fixed assets	(85,205)	(19,077)
Hire of other assets - operating leases	28,177	13,822
Fees payable to the company's auditor for the auditing of the company's annual accounts	6,150	7,140
Fees payable to the company's auditor for taxation compliance services	1,725	1,475
Rent paid	33,744	114,052
Defined contribution pension costs	90,287	137,002
	<u>7,489,566</u>	<u>12,074,532</u>

A.B.E. (LEDBURY) LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****5. Employees**

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

	Year ended 31 December 2023 £	Period ended 31 December 2022 £
Wages and salaries	2,240,634	3,326,766
Social security costs	217,439	334,498
Cost of defined contribution scheme	90,287	137,002
	<u>2,548,360</u>	<u>3,798,266</u>

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

	Year ended 31 December 2023 No.	Period ended 31 December 2022 No.
Direct operatives and warehouse staff	60	62
Administration and management	13	14
	<u>73</u>	<u>76</u>

6. Directors' remuneration

	Year ended 31 December 2023 £	Period ended 31 December 2022 £
Directors' emoluments	105,704	182,264
Company contributions to defined contribution pension schemes	10,387	17,976
	<u>116,091</u>	<u>200,240</u>

During the year retirement benefits were accruing to 1 director (18 month period ended 31 December 2022: 1) in respect of defined contribution pension schemes.

A.B.E. (LEDBURY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

7. Interest payable and similar expenses

	Year ended 31 December 2023 £	Period ended 31 December 2022 £
Bank interest payable	-	54,075
Finance leases and hire purchase contracts	64,400	13,683
	<u>64,400</u>	<u>67,758</u>

8. Taxation

	Year ended 31 December 2023 £	Period ended 31 December 2022 £
Corporation tax		
Adjustments in respect of prior periods	-	24
Total current tax	<u>-</u>	<u>24</u>
Deferred tax		
Origination and reversal of timing differences	183,517	68,697
Changes to tax rates	-	21,694
Adjustments in respect of prior periods	43,590	-
Total deferred tax	<u>227,107</u>	<u>90,391</u>
Taxation on profit on ordinary activities	<u>227,107</u>	<u>90,415</u>

A.B.E. (LEDBURY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

8. Taxation (continued)

Factors affecting tax charge for the year/period

The tax assessed for the year/period is higher than (2022: lower than) the standard rate of corporation tax in the UK of 24% (2022: 19%). The differences are explained below:

	Year ended 31 December 2023 £	Period ended 31 December 2022 £
Profit on ordinary activities before tax	124,896	787,849
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24% (2022: 19%)	29,376	149,691
Effects of:		
Expenses not deductible for tax purposes	924	1,184
Fixed asset differences	12,170	(17,536)
Remeasurement of deferred tax for any changes in tax rates	10,860	21,694
Group relief surrendered/(claimed)	135,269	(64,618)
Income not taxable for tax purposes	(5,082)	-
Adjustments to tax charge in respect of prior periods	43,590	-
Total tax charge for the year/period	227,107	90,415

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

A.B.E. (LEDBURY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

9. Intangible assets

	Computer software £
Cost	
At 1 January 2023	8,995
Additions	11,666
At 31 December 2023	<u>20,661</u>
Amortisation	
At 1 January 2023	7,439
Charge for the year	2,305
At 31 December 2023	<u>9,744</u>
Net book value	
At 31 December 2023	<u>10,917</u>
At 31 December 2022	<u>1,556</u>

A.B.E. (LEDBURY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

10. Tangible fixed assets

	Improvements to property £	Freehold property £	Plant and machinery £	Motor vehicles £	Computer equipment £	Total £
Cost						
At 1 January 2023	124,867	2,146,404	171,717	4,037,576	37,617	6,518,181
Additions	5,550	-	39,833	995,320	-	1,040,703
Disposals	-	-	(18,495)	(849,157)	-	(867,652)
At 31 December 2023	<u>130,417</u>	<u>2,146,404</u>	<u>193,055</u>	<u>4,183,739</u>	<u>37,617</u>	<u>6,691,232</u>
Depreciation						
At 1 January 2023	88,269	62,344	112,157	2,711,870	32,206	3,006,846
Charge for the year	10,411	53,856	26,023	397,408	5,411	493,109
Disposals	-	-	(8,387)	(743,796)	-	(752,183)
At 31 December 2023	<u>98,680</u>	<u>116,200</u>	<u>129,793</u>	<u>2,365,482</u>	<u>37,617</u>	<u>2,747,772</u>
Net book value						
At 31 December 2023	<u>31,737</u>	<u>2,030,204</u>	<u>63,262</u>	<u>1,818,257</u>	<u>-</u>	<u>3,943,460</u>
At 31 December 2022	<u>36,598</u>	<u>2,084,060</u>	<u>59,560</u>	<u>1,325,706</u>	<u>5,411</u>	<u>3,511,335</u>

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

	2023 £	2022 £
Motor vehicles	<u>217,302</u>	<u>235,153</u>

11. Fixed asset investments

	Unlisted investments £
Cost	
At 1 January 2023	3,700
Disposals	(3,700)
At 31 December 2023	<u>-</u>

A.B.E. (LEDBURY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

12. Stocks

	2023 £	2022 £
Finished goods and goods for resale	66,479	28,429

13. Debtors

	2023 £	2022 £
Trade debtors	921,240	1,144,929
Amounts owed by group undertakings	126,733	601,380
Other debtors	1,800	-
Prepayments and accrued income	18,826	17,063
	<u>1,068,599</u>	<u>1,763,372</u>

Amounts owed by group undertakings are interest free and repayable on demand.

During the year, an impairment loss of £23,247 (18 month period ended 31 December 2022: gain of £537) was recognised in administrative expenses against trade debtors.

14. Creditors: Amounts falling due within one year

	2023 £	2022 £
Bank loans	163,895	158,216
Trade creditors	591,063	667,128
Amounts owed to group undertakings	-	34,245
Corporation tax	-	24
Other taxation and social security	215,621	221,848
Obligations under finance lease and hire purchase contracts	88,866	74,865
Other creditors	13,922	14,427
Accruals and deferred income	72,567	69,975
	<u>1,145,934</u>	<u>1,240,728</u>

Amounts owed to group undertakings are interest free and payable on demand.

A.B.E. (LEDBURY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

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

	2023 £	2022 £
Bank loans	1,317,561	1,483,715
Net obligations under finance leases and hire purchase contracts	66,092	90,002
	<u>1,383,653</u>	<u>1,573,717</u>

16. Loans

Analysis of the maturity of loans is given below:

	2023 £	2022 £
Amounts falling due within one year		
Bank loans	163,895	158,216
Amounts falling due 1-2 years		
Bank loans	163,895	158,216
Amounts falling due 2-5 years		
Bank loans	1,153,666	1,325,499
	<u>1,481,456</u>	<u>1,641,931</u>

The bank loan balance outstanding at 31 December 2023 is £1,481,456 (2022: £1,641,931), net of issue costs.

The loan is repayable in quarterly instalments of £40,974 until October 2026 where the residual balance is due in a final payment.

Interest on the bank loan is charged to the profit and loss account at 3.15% as it arises.

The bank loan is secured by a first legal mortgage over the freehold property and by a fixed and floating charge over all current and future assets of the Palletline Limited group.

17. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2023 £	2022 £
Within one year	88,866	74,865
Between 1-5 years	66,092	90,002
	<u>154,958</u>	<u>164,867</u>

Hire purchase contracts are secured on the asset to which they relate.

A.B.E. (LEDBURY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

18. Deferred taxation

	2023 £	2022 £
At the beginning of the year/period	173,971	83,580
Charged to the profit and loss account	227,107	90,391
At the end of the year/period	401,078	173,971

The provision for deferred taxation is made up as follows:

	2023 £	2022 £
Accelerated capital allowances	404,512	176,038
Short term timing differences	(3,434)	(2,067)
	401,078	173,971

19. Share capital

	2023 £	2022 £
Allotted, called up and fully paid		
60 Ordinary shares of £1.00 each	60	60

20. Reserves

Profit and loss account

The profit and loss account includes all current and prior periods' retained profits and losses.

21. Contingent liabilities

The company has a cross guarantee with its parent company for group bank borrowings. At the year end the liabilities covered by these guarantees totalled £4,595,433 (18 month period ended 31 December 2022: £5,548,095).

22. Pension commitments

The company operates a defined benefit contribution scheme for its employees. The assets of the scheme are administered in a fund independent from those of the company. The total contributions paid in the year amounted £90,287 (18 month period ended 31 December 2022: £137,002). There is a pension creditor at the year end of £13,735 (18 month period ended 31 December 2022: £14,364).

A.B.E. (LEDBURY) LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****23. Commitments under operating leases**

At 31 December 2023 the company had future minimum lease payments due under non-cancellable operating leases as follows:

	2023 £	2022 £
Not later than 1 year	29,457	757
Later than 1 year and not later than 5 years	58,913	-
	<u>88,370</u>	<u>757</u>

24. Related party transactions

The company is a wholly owned subsidiary of Palletline Limited and has taken advantage of the exemption conferred by section 33 of FRS 102 not to disclose transactions with Palletline Limited or other wholly owned subsidiaries within the group.

Key management personnel represents the directors of the company as they have the responsibility for planning, directing and controlling the activities of the entity directly or indirectly. During the year, the key management personnel remuneration was £116,091 (18 month period ended 31 December 2022: £200,240).

25. Controlling party

The company is a wholly owned subsidiary of Palletline Logistics Limited, which is the parent company incorporated in the United Kingdom.

The largest and smallest group in which the results of the company are consolidated is that headed by Palletline Limited, incorporated in the United Kingdom. The consolidated accounts of this company are available to the public and may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ. No other group accounts include the results of the company.