Company Registration No. 02977055 (England and Wales)

MAGNUS GROUP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 SEPTEMBER 2021

MAGNUS GROUP LIMITED

COMPANY INFORMATION

Directors	Mr O P C Magnus Mr M S Gomersall Mr M E Oakley
Company number	02977055
Registered office	Waratah House Orion Business Park Addison Way Great Blakenham Suffolk IP6 0RL
Auditor	Ensors Accountants LLP Connexions 159 Princes Street Ipswich Suffolk IP1 1QJ

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STRATEGIC REPORT

FOR THE PERIOD ENDED 30 SEPTEMBER 2021

The directors present the strategic report for the Period ended 30 September 2021.

Fair review of the business

Despite the last 24 months providing a number of challenges to the logistics industry, the Magnus Group has succeeded in returning to generating profits following losses in 2019 & 2020. It has consistently generated monthly profits from early 2021 onwards, the company has doubled its turnover in the last 24 months and the Directors are confident that they have laid the foundation for continued growth.

The losses in 2019 & 2020 were in part caused by strengthening the infrastructure of the business along with additional capacity, particularly in warehouse space and the benefits of these investments are now being evidenced by increase in turnover and profitability.

The company was able to bridge the funding gap causing by the shortfall on the Balance Sheet in a significant part due to deferred payments to HMRC which have now virtually all been repaid.

Principal risks and uncertainties

The directors are fully aware of the risk and uncertainties that the logistics industry faces. The key risks for Magnus Group Limited are:

- Fuel cost fluctuations.
- Global economic conditions, in particular any further impact from Brexit or other trade agreements.
- Competition, both on a local level from similar companies, and on a national level in relation to new Ports competing against Felixstowe. The company will continue to mitigate these risks by providing top quality services to customers.
- Reduced pool of drivers.

Key performance indicators

Turnover for the 6 month period is £12,143,264 compared to the year ended 31 March 2021 of £15,941,409, with the growth profit margin increasing from 0.11% to 7.26% with the result before tax being a profit of £468,120 (March 2021: loss of £473,567).

On behalf of the board

Mr O P C Magnus
Director

30 March 2022

MAGNUS GROUP LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 30 SEPTEMBER 2021

The directors present their annual report and financial statements for the Period ended 30 September 2021.

Principal activities
The principal activity of the company continued to be those of forwarding agents, warehouses and hauliers.

Results and dividends
The results for the Period are set out on page 7.

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

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

Mr K Parker	(Resigned 31 December 2021)
Mr O P C Magnus	
Mr M S Gomersall	
Mr M J Hope	(Resigned 31 December 2021)
Mr M E Oakley	

Financial instruments
Liquidity risk
The company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the company has sufficient liquid resources to meet the operating needs of the business.

Interest rate risk
The company is exposed to fair value interest rate risk on its fixed rate borrowings and cash flow interest rate risk on floating rate deposits, bank overdrafts and loans. The company uses interest rate derivatives to manage the mix of fixed and variable rate debt so as to reduce its exposure to changes in interest rates.

Auditor
In accordance with the company's articles, a resolution proposing that Ensors Accountants LLP be reappointed as auditor of the company will be put at a General Meeting.

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

On behalf of the board

Mr O P C Magnus
Director

30 March 2022

MAGNUS GROUP LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE PERIOD ENDED 30 SEPTEMBER 2021

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MAGNUS GROUP LIMITED

Opinion

We have audited the financial statements of Magnus Group Limited (the 'company') for the Period ended 30 September 2021 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 30 September 2021 and of its profit for the Period 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.

Material uncertainty relating to going concern

We draw attention to note 1 in the financial statements, which indicates that the company is dependent upon the continued use of its current finance facility and anticipated financial performance being realised.

However, future performance is inherently uncertain and the continued support of the facility provider, whilst reasonably expected, cannot be assured. These conditions indicate that a material uncertainty exists that may cast significant doubt on the company’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial Period 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.

MAGNUS GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF MAGNUS GROUP LIMITED

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 and the directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Our audit was designed to include tests of detail together with an assessment of the control environment to enable us to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud. This included work on areas where we consider there is a higher risk of fraud including transactions with related parties, revenue recognition, management override of systems and control and accounting estimates.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known, actual, suspected or alleged instances of fraud;
- enquiry of the entity's solicitors around actual and potential litigation and claims;
- discussed matters about non-compliance with laws or regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.
- robustly challenged accounting estimates to ensure no indication of management bias.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

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

Use of our report

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

Barry Gostling (Senior Statutory Auditor)
For and on behalf of Ensors Accountants LLP

31 March 2022

Chartered Accountants
Statutory Auditor

Connexions
159 Princes Street
Ipswich
Suffolk
IP1 1QJ

MAGNUS GROUP LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 30 SEPTEMBER 2021

	Notes	Period ended 30 September 2021 £	Year ended 31 March 2021 £
Turnover	**3**	12,143,264	15,941,409
Cost of sales		(11,261,919)	(15,924,331)
Gross profit		881,345	17,078
Administrative expenses		(421,467)	(620,243)
Other operating income		66,944	262,692
Operating profit/(loss)	**4**	526,822	(340,473)
Interest receivable and similar income	**8**	30,840	20,220
Interest payable and similar expenses	**9**	(89,542)	(138,053)
Amounts written off investments	**10**	-	(15,261)
Profit/(loss) before taxation		468,120	(473,567)
Tax on profit/(loss)	**11**	(83,710)	289,345
Profit/(loss) for the financial Period		384,410	(184,222)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

MAGNUS GROUP LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 30 SEPTEMBER 2021

	Period ended 30 September 2021 £	Year ended 31 March 2021 £
Profit/(loss) for the Period	384,410	(184,222)
Other comprehensive income	-	-
Total comprehensive income for the Period	384,410	(184,222)

MAGNUS GROUP LIMITED

BALANCE SHEET

AS AT 30 SEPTEMBER 2021

	Notes	£	September 2021 £	£	March 2021 £
Fixed assets					
Tangible assets	12		1,439,785		1,507,205
Investments	13		26,652		26,652
			1,466,437		1,533,857
Current assets					
Stocks	14	37,570		31,622	
Debtors	15	4,853,842		4,558,182	
Cash at bank and in hand		414,597		131,778	
		5,306,009		4,721,582	
Creditors: amounts falling due within one year	16	(5,164,877)		(5,129,567)	
Net current assets/(liabilities)			141,132		(407,985)
Total assets less current liabilities			1,607,569		1,125,872
Creditors: amounts falling due after more than one year	17		(1,994,897)		(1,897,610)
Net liabilities			(387,328)		(771,738)
Capital and reserves					
Called up share capital	22		1,796		1,796
Share premium account			34,920		34,920
Profit and loss reserves			(424,044)		(808,454)
Total equity			(387,328)		(771,738)

The financial statements were approved by the board of directors and authorised for issue on 30 March 2022 and are signed on its behalf by:

Mr O P C Magnus
Director

Company Registration No. 02977055

MAGNUS GROUP LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 30 SEPTEMBER 2021

	Share capital	Share premium account	Profit and loss reserves	Total
	£	£	£	£
Balance at 1 April 2020	1,796	34,920	(624,232)	(587,516)
Year ended 31 March 2021:				
Loss and total comprehensive income for the year	-	-	(184,222)	(184,222)
Balance at 31 March 2021	1,796	34,920	(808,454)	(771,738)
Period ended 30 September 2021:				
Profit and total comprehensive income for the period	-	-	384,410	384,410
Balance at 30 September 2021	1,796	34,920	(424,044)	(387,328)

MAGNUS GROUP LIMITED

STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 30 SEPTEMBER 2021

	Notes	£	September 2021 £	£	March 2021 £
Cash flows from operating activities					
Cash generated from operations	**26**		651,540		204,080
Interest paid			(89,542)		(138,053)
Net cash inflow from operating activities			561,998		66,027
Investing activities					
Purchase of tangible fixed assets		(151,169)		(135,990)	
Proceeds on disposal of tangible fixed assets		54,451		40,363	
Proceeds on disposal of investments		-		(1,652)	
Receipts arising from loans made		(1,071)		5,000	
Dividends received		30,840		20,220	
Net cash used in investing activities			(66,949)		(72,059)
Financing activities					
Repayment of borrowings		(103,723)		(101,927)	
Proceeds of new bank loans		-		500,000	
Repayment of bank loans		(30,071)		(129,085)	
Payment of finance leases obligations		(78,436)		(221,318)	
Net cash (used in)/generated from financing activities			(212,230)		47,670
Net increase in cash and cash equivalents			282,819		41,638
Cash and cash equivalents at beginning of Period			131,778		90,140
Cash and cash equivalents at end of Period			414,597		131,778

1 Accounting policies

Company information

Magnus Group Limited is a private company limited by shares incorporated in England and Wales. The registered office is Waratah House, Orion Business Park, Addison Way, Great Blakenham, Suffolk, IP6 0RL.

1.1 Accounting convention

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

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

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

1.2 Going concern

These financial statements are prepared on the going concern basis.

The Company is dependent on an invoice finance facility to meet its working capital requirements. This facility has a limit, beyond which the Company has no significant additional short term financial resources.

The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that the current facility limit is sufficient to enable the Company to meet its liabilities as they fall due. The directors therefore have a reasonable expectation that the company will continue in operational existence for the foreseeable future.

However, whilst recent trading performance continues to be positive, these anticipated cash flows are inherently uncertain and like the continued support of the facility provider, whilst reasonably expected cannot be assured. The directors therefore recognise a material uncertainty in relation to going concerns exists.

1.3 Reporting period

The reporting period of the Company has changed so that these financial statements represent the six months to September 2021. The reporting period has been changed for administrative purposes. As a result, the comparative amounts are not directly comparable.

1.4 Turnover

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

Turnover represents income from haulage, warehousing and freight forwarding. Haulage and freight forwarding income is recognised when the goods are delivered. Warehousing storage income is recognised over the course of the storage period. Additional warehousing income in respect of movements in and out of the warehouse is recognised when the goods are moved.

1.5 Tangible fixed assets

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

1 Accounting policies **(Continued)**

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

Leasehold land and buildings	40 years straight line
Plant and equipment	5 to 7 years straight line
Fixtures and fittings	2 to 5 years straight line
Motor vehicles	1 to 6 years straight line

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

1.6 Fixed asset investments

Unlisted investments are held at cost less provision for impairment where their fair value cannot be determined reliably.

1.7 Impairment of fixed assets

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

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

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

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

1.8 Stocks

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

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

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

1 Accounting policies **(Continued)**

1.9 Cash and cash equivalents

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

1.10 Financial instruments

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

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

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

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

Other financial assets

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

Impairment of financial assets

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

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

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

Derecognition of financial assets

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

MAGNUS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2021

1 Accounting policies **(Continued)**

Classification of financial liabilities

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

Basic financial liabilities

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

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

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

Other financial liabilities

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

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

Derecognition of financial liabilities

Financial liabilities are derecognised when the company’s contractual obligations expire or are discharged or cancelled.

1.11 Equity instruments

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

MAGNUS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2021

1 Accounting policies **(Continued)**

1.12 Taxation

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

Current tax

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

Deferred tax

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

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

1.13 Employee benefits

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

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

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

1.14 Retirement benefits

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

1.15 Leases

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

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

1 Accounting policies **(Continued)**

1.16 Government grants

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

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

1.17 Foreign exchange

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

2 Judgements and key sources of estimation uncertainty

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

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

3 Turnover and other revenue

	September 2021	**March 2021**
	£	**£**
Turnover analysed by class of business		
Transport	5,690,440	9,629,687
Warehousing	2,949,575	3,572,812
Freight forwarding	3,503,249	2,738,910
	12,143,264	15,941,409

	September 2021	**March 2021**
	£	**£**
Other significant revenue		
Dividends received	30,840	20,220
Grants received	56,553	256,237

MAGNUS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2021

4 Operating profit/(loss)

Operating profit/(loss) for the period is stated after charging/(crediting):	September 2021 £	March 2021 £
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	3,814	(1,796)
Government grants	(56,553)	(256,237)
Depreciation of owned tangible fixed assets	196,635	309,104
Profit on disposal of tangible fixed assets	(32,497)	(26,563)

5 Auditor's remuneration

Fees payable to the company's auditor and associates:	September 2021 £	March 2021 £
For audit services		
Audit of the financial statements of the company	9,000	9,000

6 Employees

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

	September 2021 Number	March 2021 Number
Directors	4	4
Admin and other staff	130	122
Total	134	126

Their aggregate remuneration comprised:

	September 2021 £	March 2021 £
Wages and salaries	2,346,846	4,028,982
Social security costs	189,225	349,637
Pension costs	81,880	144,467
	2,617,951	4,523,086

MAGNUS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2021

7 Directors' remuneration

	September 2021 £	March 2021 £
Remuneration for qualifying services	60,867	110,056
Company pension contributions to defined contribution schemes	11,620	14,748
	72,487	124,804

8 Interest receivable and similar income

	September 2021 £	March 2021 £
Other income from investments		
Dividends received	30,840	20,220

9 Interest payable and similar expenses

	September 2021 £	March 2021 £
Interest on financial liabilities measured at amortised cost:		
Interest on loans	796	5,760
Interest on invoice finance arrangements	74,407	113,005
	75,203	118,765
Other finance costs:		
Interest on finance leases and hire purchase contracts	14,339	19,288
	89,542	138,053

10 Amounts written off investments

	September 2021 £	March 2021 £
Other gains and losses	-	(15,261)

11 Taxation

	September 2021 £	March 2021 £
Deferred tax		
Origination and reversal of timing differences	83,710	(223,137)
Adjustment in respect of prior periods	-	(66,208)
Total deferred tax	83,710	(289,345)

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

	2021 £	2021 £
Profit/(loss) before taxation	468,120	(473,567)
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	88,943	(89,978)
Tax effect of expenses that are not deductible in determining taxable profit	541	5,154
Tax effect of income not taxable in determining taxable profit	(5,860)	(3,842)
Other permanent differences	86	-
Deferred tax adjustments in respect of prior years	-	(66,208)
	-	(134,471)
Taxation charge/(credit) for the period	83,710	(289,345)

12 Tangible fixed assets

	Leasehold land and buildings	Plant and equipment	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 April 2021	165,184	1,445,312	285,903	1,937,374	3,833,773
Additions	11,097	3,131	62,015	74,926	151,169
Disposals	-	(13,250)	-	(363,300)	(376,550)
At 30 September 2021	176,281	1,435,193	347,918	1,649,000	3,608,392
Depreciation and impairment					
At 1 April 2021	13,693	1,128,170	152,050	1,032,655	2,326,568
Depreciation charged in the Period	9,264	43,472	38,650	105,249	196,635
Eliminated in respect of disposals	-	(13,050)	-	(341,546)	(354,596)
At 30 September 2021	22,957	1,158,592	190,700	796,358	2,168,607
Carrying amount					
At 30 September 2021	153,324	276,601	157,218	852,642	1,439,785
At 31 March 2021	151,491	317,142	133,853	904,719	1,507,205

The carrying value of land and buildings comprises:

	September 2021	March 2021
	£	£
Long leasehold	153,324	151,491

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	September 2021	March 2021
	£	£
Plant and equipment	179,061	199,535
Fixtures and fittings	32,987	43,670
Motor vehicles	673,236	743,320
	885,284	986,525

MAGNUS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2021

13 Fixed asset investments

	September 2021 £	March 2021 £
Unlisted investments	26,652	26,652

14 Stocks

	September 2021 £	March 2021 £
Raw materials and consumables	37,570	31,622

15 Debtors

Amounts falling due within one year:	September 2021 £	March 2021 £
Trade debtors	3,928,089	3,656,291
Other debtors	71,461	81,260
Prepayments and accrued income	653,771	536,400
	4,653,321	4,273,951

Amounts falling due after more than one year:	September 2021 £	March 2021 £
Other debtors	25,000	25,000
Deferred tax asset (note 20)	175,521	259,231
	200,521	284,231
Total debtors	4,853,842	4,558,182

16 Creditors: amounts falling due within one year

	Notes	September 2021 £	March 2021 £
Bank loans	**18**	115,635	112,035
Obligations under finance leases	**19**	227,058	260,119
Other borrowings	**18**	39,350	143,073
Trade creditors		1,556,929	1,969,123
Taxation and social security		941,232	907,040
Other creditors		1,029,073	842,238
Accruals and deferred income		1,255,600	895,939
		5,164,877	5,129,567

The bank loan is secured by way of a debenture dated 21 November 1994.

The obligations under finance lease and hire purchase contracts are secured over the assets to which they relate.

Other creditors include an invoice financing facility of £836,008 (March 2021: £647,187) which is secured by a charge created by Ultimate Finance Limited. This contains a fixed charge over certain assets and floating charge over all property and undertaking of the Company, present and future.

17 Creditors: amounts falling due after more than one year

	Notes	September 2021 £	March 2021 £
Bank loans	**18**	416,667	450,338
Obligations under finance leases	**19**	465,383	510,758
Other creditors		75,000	-
Accruals and deferred income		1,037,847	936,514
		1,994,897	1,897,610

The obligations under finance lease and hire purchase contracts are secured over the assets to which they relate.

MAGNUS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2021

18 Loans

	September 2021 £	March 2021 £
Bank loans	532,302	562,373
Loans from related parties	39,350	143,073
	571,652	705,446
Payable within one year	154,985	255,108
Payable after one year	416,667	450,338

The long-term loans are secured by fixed charges and floating charges over the undertaking and all property and assets present and future including goodwill, bookdebts, uncalled capital, buildings, fixtures and fixed plant and machinery.

The Company have two CBILS loans which entitle the Company to a first year capital repayment holiday and BIP payments. One of the CBILS loans has a BIP payment from the UK government of £24,375 covering the first years interest. 48 instalments of £5,757.33 are due commencing October 2021. The fixed interest charge at 5.0%. The other CBILS loans has a BIP payment from the UK government of £34,125 covering the first years interest. 48 instalments of £6,209.40 are due commencing December 2021. The fixed interest charge at 8.9%.

The Company also has one bank loan at the year end of £53,410, expiring June 2022, with a fixed interest charge of 4.1%.

Loans from related parties are from an entity which has a participating interest in the company. The loan is interest free and repayable on demand.

19 Finance lease obligations

	September 2021 £	March 2021 £
Future minimum lease payments due under finance leases:		
Within one year	250,082	285,136
In two to five years	496,664	547,481
	746,746	832,617
Less: future finance charges	(54,305)	(61,740)
	692,441	770,877

20 Deferred taxation

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

	Assets September 2021	Assets March 2021
Balances:	£	£
Accelerated capital allowances	(85,118)	(95,951)
Tax losses	255,927	350,470
Short term timing differences	4,712	4,712
	175,521	259,231

	2021
Movements in the Period:	£
Asset at 1 April 2021	(259,231)
Charge to profit or loss	83,710
Asset at 30 September 2021	(175,521)

Of the deferred tax asset set out above, £149,957 is expected to reverse within 12 months and relates to the utilisation of tax losses against future expected profits of the same period.

21 Retirement benefit schemes

	September 2021	March 2021
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	81,880	144,467

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

22 Share capital

	September 2021	March 2021	September 2021	March 2021
Ordinary share capital	Number	Number	£	£
Issued and fully paid				
Ordinary of 1p each	134,668	134,668	1,347	1,347
Ordinary A of 1p each	44,899	44,899	449	449
	179,567	179,567	1,796	1,796

23 Operating lease commitments

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

	September 2021 £	March 2021 £
Within one year	2,382,069	1,807,404
Between two and five years	6,147,461	5,811,968
In over five years	12,516,001	13,112,001
	21,045,531	20,731,373

24 Capital commitments

Amounts contracted for but not provided in the financial statements:

	September 2021 £	March 2021 £
Acquisition of tangible fixed assets	850,000	-

25 Directors' transactions

At 30 September 2021 the Company owed £101,650 (March 2021: £101,650) in relation to a loan from a director which is recorded within other creditors. £75,000 is due after one year and the remaining amount is repayable on demand. This loan does not attract interest.

At 30 September 2021 the Company was owed £48,221 (March 2021: £47,150) in respect of a director's current account.

26 Cash generated from operations

	September 2021 £	March 2021 £
Profit/(loss) for the Period after tax	384,410	(184,222)
Adjustments for:		
Taxation charged/(credited)	83,710	(289,345)
Finance costs	89,542	138,053
Investment income	(30,840)	(20,220)
Gain on disposal of tangible fixed assets	(32,497)	(26,563)
Depreciation and impairment of tangible fixed assets	196,635	309,104
Other gains and losses	-	15,261
Movements in working capital:		
(Increase)/decrease in stocks	(5,948)	15,558
Increase in debtors	(378,299)	(1,319,952)
Increase in creditors	344,827	1,566,406
Cash generated from operations	651,540	204,080

27 Analysis of changes in net debt

	1 April 2021 £	Cash flows £	30 September 2021 £
Cash at bank and in hand	131,778	282,819	414,597
Borrowings excluding overdrafts	(705,446)	133,794	(571,652)
Obligations under finance leases	(770,877)	78,436	(692,441)
	(1,344,545)	495,049	(849,496)

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