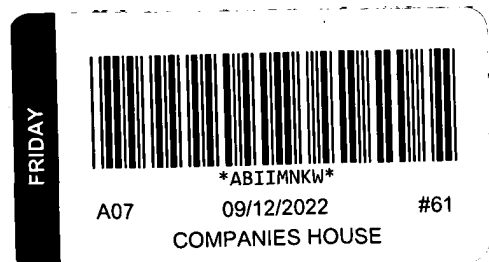


**REGISTERED NUMBER: 11422132**

**ARRA DISTRIBUTION LIMITED**

**Report of the Directors and  
Unaudited financial statements  
for the 18 months ended 2 October 2021**



**Arra Distribution Limited**  
**Report of the Directors and Unaudited financial statements**  
**for the 18 months ended 2 October 2021**

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**Arra Distribution Limited**

**Company information for the 18 months ended 2 October 2022**

**DIRECTORS:** A R Brooker  
R A Evans

**REGISTERED OFFICE:** Unit 1  
1 Llwyn yr Eos  
Parc Menter  
Cross Hands  
Carmarthenshire  
SA14 6RA

**REGISTERED NUMBER:** 11422132 (England and Wales)

## **Arra Distribution Limited**

### **Report of the Directors for the 18 months ended 2 October 2021**

The directors present their report with the financial statements of the company for the 18 months ended 2 October 2021. The comparative figures in the financial statements are for the year ended 31 March 2020. The comparative figures have been adjusted to reflect operating costs that were not reflected in the financial statements for the year ended 31 March 2020.

#### **Review of business and future outlook**

The company was established in June 2018 and started trading in a meaningful way in June 2019 when it secured two significant contracts which provided the foundation for future growth.

The company's turnover has grown significantly with turnover of £6.3m in the year ended 31 March 2020, £11.3m in the year ended 31 March 2021 and £8.2m (£16.4m annualised) for the six months to 2 October 2021. The turnover for the year ended 1 October 2022 has grown further to £20.1m and the company has continued to operate at this level of activity in 2022/23, despite challenging economic conditions.

The directors consider this growth to have been a major achievement given the economic environment and the impact of the Covid pandemic on the trading environment.

The company incurred losses before taxation of £90,994 for the year ended 31 March 2021 (adjusted for costs not included in the financial statements for that year) and £278,710 for the 18-month period to 2 October 2021. These losses reflect the investment made in establishing the company's depot infrastructure, training and management processes to support the growth. In addition, vehicle and trailer damage costs were higher than expected as drivers were embedded into new contracts and as the company established training and fleet management processes.

In accordance with the company's plans, a profit in excess of £200,000 has been generated in the year ended 1 October 2022 which has substantially off-set the losses incurred up to 2 October 2021. The profit was lower than expected as a result of challenging trading conditions in the last quarter of the year with demand across the industry being affected by the adverse economic conditions and inflationary pressures on the operating costs.

Fuel costs have increased throughout 2022 and, whilst largely offset by fuel surcharge arrangements with customers, have had an adverse impact on profit margins.

Trading conditions have been challenging in the first couple of months of 2022/23, reflecting the economic conditions in the UK. However, the company has secured new work and has a number of opportunities which are expected to generate an increase in turnover and profitability in 2023.

#### **Dividends**

No dividends will be distributed for the 18 months ended 2 October 2021.

**Arra Distribution Limited**

**Report of the Directors for the 18 months ended 2 October 2021 (continued)**

**Directors**

The directors shown below have held office during the whole of the period from 1 April 2020 to the date of this report:

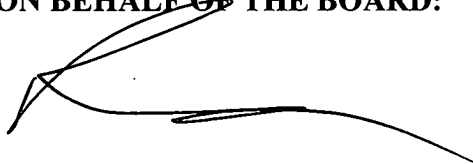
A R Brooker

R A Evans

**Preparation of directors' report**

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

**ON BEHALF OF THE BOARD:**

A handwritten signature in black ink, appearing to be 'R A Evans', written over the text 'ON BEHALF OF THE BOARD:'.

R A Evans, Director

7 December 2022

**Arra Distribution Limited**

**Statement of Income and Retained Earnings for the 18 months ended 2 October 2022**

		18 months ended 2 October 2021	Year ended 31 March 2020 Adjusted – note 5
	Notes	£	£
<b>TURNOVER</b>		19,508,771	6,276,970
Cost of sales		(17,747,643)	(5,717,615)
<b>GROSS PROFIT</b>		1,761,128	559,355
Distribution costs		(1,428,951)	(433,458)
Administrative expenses		(504,008)	(181,909)
Other operating income		30,000	21,931
<b>OPERATING (LOSS)</b>	4	(141,831)	(34,081)
Interest receivable and similar income		9	471
Interest payable and similar expenses		(136,888)	(57,384)
<b>(LOSS) BEFORE TAXATION</b>		(278,710)	(90,994)
Tax on loss for the period		53,532	16,468
<b>(LOSS) FOR THE FINANCIAL PERIOD</b>		(225,178)	(74,526)
Retained earnings at the beginning of the year			
As previously stated		11,798	5,411
Prior year adjustment	5	(80,913)	-
		(69,115)	5411
<b>RETAINED LOSSES AT END OF PERIOD</b>		(294,293)	(69,115)

The notes form part of these financial statements.

**Arra Distribution Limited**

**Abridged Balance sheet as at 2 October 2021**

		<b>2 October 2021</b>	<b>31 March 2020</b>
			<b>Adjusted –</b>
			<b>note 5</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>FIXED ASSETS</b>			
Tangible assets	6	29,825	28,354
<b>CURRENT ASSETS</b>			
Stocks		29,128	2,395
Debtors		2,626,735	1,278,154
Cash at bank		63,351	33,732
		2,719,214	1,314,281
<b>CREDITORS</b>			
Amounts falling due within one year		(3,006,870)	(1,406,948)
<b>NET CURRENT LIABILITIES</b>		(287,656)	(92,667)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		(257,831)	(64,313)
<b>CREDITORS</b>			
Amounts falling due after more than one year		(36,362)	(4,702)
<b>NET (LIABILITIES)/ASSETS</b>		(294,193)	(69,015)
<b>CAPITAL AND RESERVES</b>			
Called up share capital		100	100
Retained earnings		(294,293)	(69,115)
<b>SHAREHOLDERS' FUNDS</b>		(294,193)	(69,015)

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year 18 month financial period ended 2 October 2021 on the basis that it was a small company for the year ended 31 March 2020, the previous accounting period.

The members have not required the company to obtain an audit of its financial statements for the 18-month period ended 2 October 2021 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006; and

**Arra Distribution Limited**

**Abridged Balance sheet as at 2 October 2021 (continued)**

- b. preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

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

All the members have consented to the preparation of an abridged Balance Sheet for the year ended 31 March 2020 in accordance with Section 444(2A) of the Companies Act 2006.

The financial statements were approved by the Board of Directors and authorised for issue on 7 December 2022 and were signed on its behalf by:

A handwritten signature in black ink, appearing to be 'R A Evans', with a long horizontal stroke extending to the right.

R A Evans - Director

The notes form part of these financial statements.



## **Arra Distribution Limited**

### **Notes to the Financial Statements for the 18 months ended 2 October 2021**

#### **1. Statutory information**

Arra Distribution Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found in the Company Information on page 2.

#### **2. Accounting policies**

##### **Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

##### **Turnover**

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

##### **Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter:

Fixtures and fittings – 20% on cost

Motor vehicles – 20% on cost

Computer equipment – 20 % on cost

##### **Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

##### **Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

##### **Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

## **Arra Distribution Limited**

### **Notes to the Financial Statements for the 18 months ended 2 October 2021**

#### **Accounting policies (continued)**

##### **Deferred tax (continued)**

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

##### **Hire purchase and leasing commitments**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is shorter.

##### **Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

#### **3. Employees and directors**

The average number of employees during the period was 120 (2020 – 48).

#### **4. Operating profit**

Operating profit is after charging depreciation of £17,568 (2020 - £7,061).

#### **5. Prior year adjustment**

The previous year's results have been adjusted as a result of costs incurred in relation to that year's activities which had not been reflected in the accounts.

The loss before taxation for the year was increased by £100,149 and the deferred tax credit was increased by £19,236. Retained losses were increased by £80,913.

## Arra Distribution Limited

### Notes to the Financial Statements for the 18 months ended 2 October 2021

#### 6. Tangible fixed assets

	Totals £
<b>COST</b>	
At 1 <sup>st</sup> April 2020	35,544
Additions	19,039
At 2 October 2021	<u>54,583</u>
<b>DEPRECIATION</b>	
At 1 <sup>st</sup> April 2022	7,190
Charge for the year	17,568
At 2 October 2021	<u>24,758</u>
<b>NET BOOK VALUE</b>	
At 2 October 2021	<u>29,825</u>
At 31 March 2020	<u>28,354</u>

#### 7. Going concern

A review of the company's performance during the year and subsequent to the year end together with the future outlook is set out in the directors' report on page 3.

The directors recognise that the current economic environment in the UK and the competitive market in which the company operates can create volatility and uncertainties with regard to the level of demand for its services. In addition, the volatility of fuel costs and the high inflation currently existing in the UK create further uncertainties in relation to the company's profit margins.

These uncertainties have affected the business in the last six months of 2022 and are expected to continue in 2023. The directors continuously review and monitor market conditions and the efficiencies of its operations in order to mitigate the impact of these uncertainties on profitability and cash flow.

The company meets its working capital requirements through an invoice factoring facility and bank loan, and has effectively managed its working capital and cash flow requirements within this facility. Based on the company's forecast level of activity and profitability, the directors expect to be able to manage its working capital requirements within its current available facilities. However, the directors are mindful that possible changes in the company's activity and operations may necessitate additional finance being required. Therefore, the directors are continuously reviewing their finance requirements and will pursue additional sources of finance should such circumstances require.

**Arra Distribution Limited****Notes to the Financial Statements for the 18 months ended 2 October 2021****Going concern (continued)**

These financial statements are prepared on the going concern basis as the directors have a reasonable expectation, despite the current trading uncertainties, that the company will continue in operational existence for the foreseeable future.