

23 May 2023

XPEDIATOR PLC
("Xpediator", the "Company" or the "Group")

FINAL RESULTS

Xpediator Plc (AIM: XPD), a leading provider of freight management services across the UK and Central and Eastern Europe, is pleased to announce its audited final results for the twelve months ended 31 December 2022.

2022 Financial Highlights

- Significant organic growth with Group revenue increasing 30% to a record performance of £386.7m (2021: £296.6m) with a particularly strong contribution from the Group's largest division, Freight Forwarding.
 - Freight Forwarding delivered revenue of £312.7m, an increase of 34%.
 - Warehouse & Logistics delivered revenue of £65.6m, an increase of 16%.
 - Transport Support Services delivered revenue of £8.4m, an increase of 35%.
- Adjusted profit before tax of £11.0m, up 21% (2021: £9.1m). *
- Reported profit before tax of £6.5m (2021: £4.3m).
- Adjusted basic earnings per share of 3.03 pence (2021: 3.68 pence).
- Basic loss per share of (0.13) pence (2021: earnings per share 0.29 pence).
- Net cash generated from operating activities was £17.7m (2021: £4.7m).
- Net debt position of £3.6m (2021: net debt of £4.8m) improved due to strong trading across the Group, particularly in Delamode Baltics, but also as a result of greater focus on turning around the loss-making UK entities

2022 Operational Highlights

- Continued exceptional performance in the Freight Forwarding Division, especially in the Baltic region, the largest region for the Group in terms of revenue and profit.
- Profitable performances by both the Transport Support Services and Romanian Warehouse & Logistics Divisions helped the Group achieve a particularly strong second half performance.
- The UK Logistics Division, underwent significant change during the period, including post year end, the closure of the Beckton warehouse.

Recommended Cash Offer

- On 6 April 2023, Xpediator announced a recommended cash offer by DLM Bidco Limited, of 44p per share comprising 42p in cash and a special dividend of 2p (the "Offer").
- Under the terms of the Offer, a loan note alternative will be available to eligible shareholders, which will enable them to elect to receive loan notes in lieu of part or all of the cash consideration to which they would otherwise be entitled under the terms of the Offer.
- The Xpediator Directors, who have been so advised by Zeus Capital (financial adviser to Xpediator) as to the financial terms of the Offer, consider the terms of the Offer to be fair and reasonable.
- Shareholder meetings will be held on 7 June 2023 at which eligible shareholders will vote on the proposed Offer.

*Adjusted profit before tax is set out in Chief Financial Officer's report and includes adjustments for the amortisation of intangibles, impairment, the impact of the application of IFRS16 and exceptional items.

Xpediator plc

Tel: +44 (0)330 043 2395

Graham Moore, Interim Chief Operating Officer
Richard Myson, Chief Financial Officer

Zeus (Nominated Adviser & Broker)

Tel: +44 (0)20 3829 5000

David Foreman, James Hornigold, Ed Beddows (Investment Banking)
Dominic King (Corporate Broking)

Novella Communications (Financial Public Relations)

Tel: +44 (0)20 3151 7008

Tim Robertson
Safia Colebrook

About Xpediator:

Xpediator is a well-established international provider of freight management services. Established in 1988, the Group's international network of offices provides road, sea and air freight services, together with logistics and warehousing in the UK and Romania. The business offers integrated freight management within the supply chain logistics and fulfilment sector, through its three main areas: freight forwarding, logistics & warehousing and transport services. With headquarters in Braintree, Essex and country offices in nine CEE countries across 34 sites, the Group currently employs over 1,400 people and was successfully listed on London's AIM market in 2017.

For more information, please visit: www.xpediator.com.

Alternatively, do follow us on Twitter at @Xpediator or find us on LinkedIn at Xpediator Plc

Interim Chairman's Statement

Introduction

I am pleased to present these results for the 12 months to 31 December 2022. The Group generated revenues of £386.7m, a 30% increase over the prior year and adjusted profit before tax of £11.0m, up 21%. Statutory profit before tax was £6.5m, up 52%. An excellent performance and further enhanced by the progress made with reducing net debt, being £3.6m at 31 December 2022 substantially down from the £8.0m at 30 June 2022.

Trading has begun positively in 2023 and we expect the business to continue to grow throughout the current year. At the same time, we remain aware of potential challenges. To date, we have managed to offset any reduction in trade due to the conflict in Ukraine with sales increases in other markets, and whilst globally markets remain challenging, we will continue to operate within our capabilities and not over extend ourselves.

Recommended Offer

On 4 May 2023, the Board recommended an Offer from DLM Bidco Limited (a newly incorporated entity indirectly owned by a consortium comprising the Company's largest shareholder, Cogels Investments Limited ("Cogels"), the investment vehicle of close family members of Stephen Blyth (former CEO of Xpediator), funds managed by Baltcap, one of the largest private equity investors in the Baltic states, and Justas Versnickas, the Managing Director of, and 20% shareholder in, Delamode Baltics, a subsidiary of Xpediator) to acquire the entire issued, and to be issued, share capital of the Company. The Offer comprises 42p cash per share ("Cash Offer") and a special dividend of 2p which values the Company at approximately £62.3m. Under the terms of the Offer, a loan note alternative will be available to eligible shareholders, which will enable them to elect to receive loan notes in lieu of part or all of the cash consideration to which they would otherwise be entitled under the terms of the Offer. The shareholder meetings for eligible shareholders to approve the Offer (being structured as a Scheme of Arrangement) are scheduled for 7 June 2023.

Our people

As ever, it is the people within the business who drive its success. We know this and we have worked to increase our focus and investment in individuals and provide collaborative work environments. Our objective remains for the Group to be seen as an employer of choice. We believe that employee satisfaction continues to improve and through our employee surveys we are listening to our teams and making their input part of the future changes we make.

2022 was a successful year for the business and on behalf of the Board I would like to thank everyone in the business for their significant contributions.

Board and management changes

During the year there were several changes to the Board. In March, Mark Whiting, Non-executive Chairman, and Stephen Blyth, Non-Executive Director ("NED") and Founder, stepped down from the Board. Rob Riddleston stepped in as Interim Chairman from 25 March to 1 June 2022. In June, Richard Myson re-joined the Company as Chief Financial Officer having previously worked for the Group for 16 years, replacing Mike Williamson the outgoing Chief Financial Officer. Mike Stone joined as Interim Chief Executive and I joined as Interim Non-Executive Chairman. Mike Stone replaced Wim Pauwels who had stepped in from his NED role to Interim Chief Executive. Wim left the Company on 31 May 2022. On 6 April 2023, Mike Stone advised the Board of his intention to step down from his role of Interim Chief Executive and from the Board before the Offer completes but no specific effective date has yet been agreed.

Operational targets

From June 2022, the new management team reviewed the entire business and concluded that while the majority of the Group was performing well and driving growth for the business as a whole, there were some key areas of underperformance. The second half of 2022 was successfully focused on addressing these issues.

The first objective was to reduce the level of net debt which at 30 June 2022 was £8.0 million and needed to come down to a more sustainable level which we have achieved already and the goal remains to move close to a net cash position by the end of 2023.

The business review also highlighted the opportunity to achieve greater operational efficiencies across the business and reduce the cost base of the Group, without impacting the quality of service we provide to our customers. This process is well advanced and is already generating material savings.

From a trading perspective, the UK businesses have lagged the performance of those on the Continent for some time both in Freight Forwarding and Logistics. UK Freight Forwarding has over the last six months improved under the leadership of Justas Versnickas, MD of Delamode Baltics UAB. Similarly, under Alberto Romero, Head of UK Logistics, this division has been restructured including the closure of the Becton warehouse and is now on a much-improved footing, albeit with continual assessment of warehousing performance and with other remedial actions available that can be taken as required.

Dividend

The Board is not recommending a final dividend to be paid to shareholders, and no interim dividend was paid during the year. In 2021 a total dividend of 1.10p per share was paid.

However, pursuant to the Offer and conditional upon shareholder approval and the Offer completing, a special dividend of 2p per share will be paid by the Company, further details as to the timing of which will be provided in due course.

Outlook

The business has good foundations and the changes that have occurred in the last nine months, have further enhanced the business base. While cognisant of the wider market environment and the ongoing volatility that is occurring in different parts of the marketplace, transportation and storage of goods will continue to be required. Notwithstanding the Offer to purchase the share capital of the business and the potential change in ownership, we believe the Group continues to be well placed to grow.

Operational Statement

Introduction

The Board are happy to report that the Group is in good health. During 2022, the business has grown, the operational team have worked well together to bring in some important changes which we believe will deliver benefits to the Group over the medium to longer term. Most importantly, we continue to offer a professional and highly efficient service to our thousands of customers across the globe, ensuring their goods are transported and stored safely, securely and cost effectively.

The business generated close to £400 million in annual sales, another target achieved by the team. 71% of revenues came from the continent with the balance of 29% coming from the UK. Our largest and most profitable business continues to be our Freight Forwarding operation in Lithuania. Led by Justas Versnickas, this division has been a core driver of the Group's success together with strong trading performances from the Baltic and Balkan regions as a whole.

It has been clear from the outset that there is potential for the UK businesses to make a much greater contribution to the Group. Both UK Freight Forwarding and UK Logistics have underperformed their potential and in the case of Logistics have been a drag on profitability. Significant change requires time to implement and take effect but over the last 9 months we have made some important changes in the UK which we believe will result in both areas making significant long-term improvements.

UK Logistics which has been loss-making for some time, has been fundamentally restructured under the leadership of Alberto Romero. The loss making high street fashion warehouse in Becton, covering 70,000 sq ft, has been returned to the landlord at the end of our lease period with key warehouse customers transferring their business to our warehouse in Braintree which is not yet running to capacity but is moving in the right direction. This, together with the implementation of a new Warehouse Management System in the recently developed 235,000 sq ft dockside warehouse in the port of Southampton, has improved the financial performance and future of the UK Logistics division.

Positive trading and better cost control enabled the Group to reduce net debt to £3.6 million as at 31 December 2022. A significant reduction down from £8.0 million as at 30 June 2022. The Group's indebtedness was a key issue for the business, but it is now under control and whilst further improvements are required, the goal to be cash positive during 2024 is achievable.

Health & Safety

Health and Safety receives strategic focus and priority on a daily basis. We are proud of the fact that there were no significant injuries reported in 2022 and will continue to ensure health and safety receives significant attention throughout the Group.

Operational Review

Our strategy remains focused around building a scalable and risk adjusted platform to support our freight management companies across the UK and Europe with a particular expertise in Central and Eastern Europe ("CEE").

Divisional Review

Freight Forwarding

Overall, the Freight Forwarding division has performed well with an exceptional performance delivered by Baltics and strong performances from Bulgaria and Regional Express.

Revenue £312.7m (2021: £233.6m)

Operating profit £12.6m (2021: £9.7m)

Operating predominately under the Delamode brand, this division specialises in international freight management services via road, sea, air and rail connecting CEE countries and the UK with each other and the rest of Europe.

Revenues across the Baltics and Balkans continued to grow significantly against prior year comparatives, with Baltics revenue up by £65.0 million, a 71% increase year on year, and Bulgaria up by £8.3 million, a 25% increase. Both businesses benefitted from the global increase in sea freight rates plus the development of new routes. Profit before tax in the Baltics increased by £8.9 million to £15.9 million (2021: £7.0 million) and in Bulgaria by £0.2 million to £1.5 million (2021: £1.3 million). In addition, both Serbia and Estonia delivered a strong performance as these businesses continue to mature with revenue up 20% and 27% respectively.

Delamode Anglia, the largest UK freight forwarding business, struggled in 2022 as a consequence of the integration of the two acquired business into the main forwarding entity, which resulted in revenue decreasing by £10.7 million year on year. Improvements in performance have been seen in 2023. Regional Express and Delamode Nidd, which both trade independently, saw profits increase.

Warehousing & Logistics

Warehousing & Logistics division generated good revenue growth led by Pallex Romania.

Revenue £65.6m (2021: £56.7m)

Operating profit £0.7m (2021: £1.5m)

The Group's warehousing capacity in the UK, Romania and Bulgaria offers comprehensive services in strategically situated sites. Although revenues for this division increased year on year profitability was reduced attributable to the warehousing operations in the UK.

Good trading performances from Pall-Ex and Logistics in Romania drove an overall increase in revenues for this division,

UK warehousing also generated an increase in revenue, up £5.1m due to the full year operation of the new facility in Southampton. Profitability reduced significantly however, primarily due to the challenges faced by the retail focused Beckton warehouse and reduced occupancy in the Braintree warehouse.

The Group's Pall-Ex franchise in Romania continues to perform strongly, offering a palletised freight delivery service to any part of the country within 24 hours and handling in excess of 90,000 pallets on average per month.

Transport Support Services

Transport Support Services operating under the Affinity brand continues to go from strength to strength under the leadership of strong and innovative local management. The existing product offering is well established and continues to be improved through digitalisation and innovation.

Revenue £8.4m (2021: £6.3m)

Gross billing £189.6m (2021: £145.9m)

Operating profit £2.7m (2021: £2.4m)

Affinity, provides bundled fuel and toll cards, financial and support services for hauliers in Southern Europe. Affinity has been an agent of DKV in Romania since 2002, one of the world's largest fuel card providers and provides the DKV fuel card across the Balkans to a database of approximately 2,400 Eastern European hauliers.

In addition, Affinity provides a "one stop shop" of transport services including roadside assistance and ferry bookings. Affinity's commercial model fits well within the Group as many of the hauliers who are customers of Affinity also supply haulage services to Delamode a key factor that enables the Group to have a good understanding of its customers and suppliers, which underpins the strategy to provide further financial services such as insurance and leasing. With continued driver shortages in Europe, having a haulage supplier base is increasingly important for the Freight Forwarding division.

Volumes sold to customers (gross billings) increased in 2022 by 30% year on year, mainly due to the increase in the average fuel cost per litre, which increased by 24% year on year.

Romania remains the largest region for the division representing 78% of total activity in terms of gross billings (2021: 79%). The Balkans operation continues to grow leveraging the relationships with the Freight Forwarding businesses based in Bulgaria and Serbia.

In 2022 Affinity expanded its product offering with the development of the financial services provision tailored specifically for its existing customer base.

Affinity's 20 years of experience and well-established leadership team provides a good platform to expand in new geographical regions, as well as being well placed to further develop its service and product offerings.

Richard Myson

Chief Financial Officer

2022 financial results improved over 2021 on the back of enhanced revenue.

Revenue

Group revenue increased in 2022 by £90.1 million (30.3%) to £386.7 million.

The Freight Forwarding Division delivered £312.7 million (33.9% increase from 2021), the Warehousing and Logistics Division revenue of £65.6 million (15.5% increase from 2021) and the Transport Support Services Division delivered £8.4 million (34.5% increase from 2021).

Segment Profit Before Central Overhead Allocation and Exceptional Items

This definition of profit performance is presented to provide a clear view of underlying trading activities and to ensure consistency with previous reporting and commentary.

Operating profit of the Freight Forwarding Division increased by £2.9 million to £12.6 million largely driven by increased activity in Baltics region.

Operating profit of the Warehouse and Logistics Division decreased by £0.8 million to £0.7 million mainly due to the reduction in volumes in the UK and overstaffing to accommodate expected volumes in Southampton which were delayed.

The Transport Support Services Division's operating profit increased by £0.3 million to £2.7 million.

Group Profit before Taxation

Group profit before tax increased in 2022 to £6.5 million (2021: £4.3 million) driven by the Freight Forwarding Division.

A summary of operating profit before central overhead allocation by division is shown below:

2022	2021	2020	2019	2018	2017
------	------	------	------	------	------

	2022	2021	2020	2019	2018	2017
Freight Forwarding	£12.6m	£9.7m	£6.8m	£3.4m	£3.0m	£2.4m
Warehouse and Logistics	£0.7m	£1.5m	£2.6m	£2.9m	£3.0m	£0.9m
Transport Support Services	£2.7m	£2.4m	£2.3m	£2.5m	£2.3m	£2.0m

Adjusted Profit before Tax

This table sets out the adjustments made to the profit before tax to show an underlying trading profit performance and establish consistency in reporting from prior periods and arrive at an adjusted profit before tax:

	2022	2021	2020	2019	2018	2017
Profit Before Tax	£6.5m	£4.3m	£3.9m	£2.2m	£5.6m	£2.4m
Exceptional Items (note 27)	£0.5m	£2.6m	£1.4m	£0.9m	£0.3m	£0.9m
Net unwind and addback of discount on deferred consideration/Benfleet vendor income (note 8)	-	-	£0.1m	£0.3m	£0.2m	£0.3m
Amortisation of intangibles on acquisition (note 12)	£1.5m	£1.5m	£1.5m	£1.4m	£1.1m	£0.4m
Impairment (note 12)	£1.5m	-	-	-	-	-
Net Income Statement Impact of application of IFRS 16	£1.0m	£0.7m	£0.3m	£0.3m	-	-
Adjusted profit before tax	£11.0m	£9.1m	£7.2m	£5.1m	£7.2m	£4.0m

Earnings per Share

	2022	2021	2020	2019	2018	2017
Basic (Loss)/Earnings Per Share	(0.13)	0.29	1.46	0.60	3.53	1.64
Adjusted Earnings Per Share	3.03	3.68	3.84	2.80	4.80	3.27

The total number of ordinary shares as at 31 December 2022 was 141.7 million (2021: 141.7 million).

(Loss)/Profit after tax attributable to the owners of the parent company of £(0.2) million (2021: £0.4 million) provides a basic earnings per share of (0.13)p (2021: 0.29p). Adjusted profit before tax results in basic and diluted earnings per share of 3.03p and 3.03p respectively (2021: basic and diluted 3.68p, 3.67p) (see note 10 of the financial statements).

Financial Resources

Asset Cover	2022	2021	2020	2019	2018	2017
Total Assets	£237.8	£196.1m	£138.2m	£128.9m	£98.8m	£76.4m
Net Assets	£31.9m	£29.2m	£31.2m	£29.0m	£29.1m	£14.8m
Current Ratio	1.05	0.99	1.05	1.01	1.14	1.07

A current ratio of 1.05 for 2022 shows an improvement over 2021 of 0.99.

Cash

The Group traditionally has been an asset light, cost conscious and cash generative entity and the focus of the Board has been to restore this strategy in H2 of 2022.

By improving the performance of Delamode Anglia and the UK Logistics business, controlling the under-recovered costs in the centre, together with the increased profits generated in the Baltics, the Group improved the cash position from H1 to end the year with a net debt position of £(3.6)m, down from 30 June 2022 of £(8.0)m and £(4.6)m as at 31 December 2021.

The Board continues to monitor cash regularly to ensure the financing needs of the business are met and expects these to be achieved for the coming year from existing cash balances, current funding facilities and operating cash flows.

The Group has sufficient financial resources and a broad spread of business activities. The Directors therefore believe that it is well placed to manage its business risks.

Cash	2022 ¹	2021	2020	2019	2018 ²	2017 ²
Net cash from operating activities	£17.7m	£4.7m	£14.1m	£14.2m	£9.5m	£3.9m
Net cash outflow from investing activities	£(2.2)m	£(3.1)m	£(6.0)m	£(2.0)m	£(7.0)m	£(6.5)m
Net cash (outflow)/inflow from financing activities	£(16.4)m	£(1.5)m	£(7.8)m	£(9.3)m	£(0.4)m	£4.8m
Effect of foreign exchange movements	£1.5m	£(1.1)m	£0.4m	£(0.5)m	£0.2m	£(0.1)m
Cash and cash equivalents at end of year	£12.2m	£11.7m	£12.7m	£12.0m	£9.6m	£7.3m

¹ Cash and cash equivalents at end of year includes overdrafts of £879,000.

² Comparatives for 2017 and 2018 have been restated for consistency with the reporting under IFRS 16. Previously, the cashflow for operating leases was reported within net cash from operating activities (2018, £5.9m, 2017 - £2.2m), but are now reported in net cash outflow from financing activities.

Working Capital

Trade Receivables and Payables	2022	2021	2020	2019	2018	2017
Trade and other receivables	£104.5	£98.5m	£66.7m	£60.9m	£60.3m	£51.8m
Trade and other payables	£87.4	£86.6m	£64.8m	£58.6m	£56.1m	£51.0m
Days Sales Outstanding (based on gross billings)	87.2	82.4	71.2	82.5	70.4	81.5

Days Sales Outstanding (based on gross billings)	67.2	62.4	71.2	65.9	70.4	61.9
Days Payable Outstanding (based on cost of sales and recoverable disbursements)	67.0	85.6	82.6	71.9	75.6	91.3

Trade receivables and payables increased at the year end as a consequence of a growing business, however days sales outstanding and days payable outstanding have both significantly decreased reflecting improved working capital management and controls.

Administrative Costs Review

Average headcount increased from 1,432 in 2021 to 1,511 in 2022 driven primarily by the growing freight forwarding operations in the Baltics.

Operating Costs (Key Items)	2022	2021	2020	2019	2018	2017
Staff Costs	£40.0m	£29.0m	£24.6m	£23.9m	£18.6m	£13.4m
Bad debts	£0.9m	£1.5m	£0.9m	£0.8m	£1.1m	£0.6m
Depreciation on right-of-use assets/rental payable under leases	£12.4m	£8.6m	£6.3m	£6.0m	£5.9m	£2.3m
Insurance	£2.6m	£1.7m	£1.1m	£0.9m	£0.7m	£0.4m
Plant and machinery hire	£0.8m	£0.5m	£0.6m	£0.7m	£0.7m	£0.3m
IT costs	£1.4m	£1.7m	£2.1m	£1.6m	£0.6m	£0.3m

Net Finance Costs

Excluding the IFRS 16 impact of £2.2m (2021: £1.6m), finance costs were £0.7m compared to £0.4m in the prior year.

Impairment

The Group carries out its impairment tests from annually and all newly acquired entities are also reviewed for impairment at the balance sheet date.

In 2021 the Group consolidated the activities of the acquired entities, Benfleet Forwarding Ltd and Anglia Group Forwarding Ltd with the Freight Forwarding activity of Delamode Plc into one entity, Delamode Anglia Ltd.

For the purposes of the Group impairment, this consolidated entity is considered as one cash generating unit.

As a result of the underperformance of the UK Freight Forwarding business the Board has provided an impairment on the intangible assets of £1.5m during the year.

Richard Myson

Chief Financial Officer

FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £'000	2021 £'000
Gross billing	7	567,865	436,237
CONTINUING OPERATIONS			
Revenue	3	386,697	296,594
Cost of sales		(294,516)	(228,201)
GROSS PROFIT		92,181	68,393
Other operating income	4	2,217	1,478
Impairment losses on receivables	17	(863)	(1,475)
Administrative expenses	5	(84,213)	(62,344)
Exceptional items included in administrative expenses above	27	(483)	(2,610)
OPERATING PROFIT BEFORE EXCEPTIONAL ITEMS		9,805	8,662
OPERATING PROFIT	5	9,322	6,052
Finance costs	8	(2,848)	(1,937)
Finance income	8	47	172
PROFIT BEFORE INCOME TAX		6,521	4,287
Income tax	9	(3,701)	(2,410)
PROFIT FOR THE YEAR		2,820	1,877
Profit attributable to:			
Owners of the parent		(178)	417
Non-controlling interests		2,998	1,460
		2,820	1,877
Earnings per share attributable to the ordinary equity holders of the parent:			
Basic earnings pence per share	10	(0.13)	0.29

The notes form part of these financial statements

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 £'000	2021 £'000
PROFIT FOR THE YEAR	2,820	1,877
OTHER COMPREHENSIVE INCOME		
Items that may be reclassified to profit or loss:		
Exchange differences on translation of foreign operations	1,683	(1,289)

Exchange differences on translation of foreign operations	1,329	(758)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	4,503	588

Total comprehensive income attributable to:

Owners of the parent	1,329	(758)
Non-controlling interests	3,174	1,346
	4,503	588

The notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Notes	2022 £'000	2021 £'000
ASSETS			
NON-CURRENT ASSET			
Intangible assets	12	20,011	21,923
Property, plant and equipment	13	4,398	4,563
Right-of-use assets	25	93,303	58,321
Investments	16	33	-
Trade and other receivables	17	1,247	-
Deferred tax asset	9	813	904
		119,805	85,711
CURRENT ASSETS			
Inventories		283	235
Trade and other receivables	17	104,597	98,495
Cash and cash equivalents		13,126	11,684
		118,006	110,414
TOTAL ASSETS		237,811	196,125

	Notes	2022 £'000	2021 £'000
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	22	7,134	7,134
Share premium	23	13,149	13,149
Equity reserve	23	-	108
Translation reserve	23	913	(594)
Merger reserve	23	3,102	3,102
Retained earnings	23	3,092	4,121
Issued share capital and reserves attributable to the owners of the parent		27,390	27,020
Non-controlling interests		4,503	2,170
TOTAL EQUITY		31,893	29,190

LIABILITIES

NON-CURRENT LIABILITIES

Provisions	20	3,759	2,191
Lease liabilities - right-of-use assets	25	83,765	50,625
Interest bearing loans and borrowings	19	4,083	-
Trade and other payables	18	273	343
Deferred tax liability	9	1,702	2,011
		93,582	55,170

CURRENT LIABILITIES

Trade and other payables	18	87,436	86,219
Lease liabilities - right-of-use assets	25	12,287	9,053
Interest bearing loans and borrowings	19	12,613	16,493
		112,336	111,765

TOTAL LIABILITIES

		205,918	166,935
--	--	----------------	----------------

TOTAL EQUITY AND LIABILITIES

		237,811	196,125
--	--	----------------	----------------

The notes form part of these financial statements

The financial statements were approved and authorised for issue by the Board of Directors and were signed by:

Richard Myson
CFO

22 May 2023

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Share capital £'000	Share premium £'000	Equity reserve £'000	Translation reserve £'000	Merger reserve £'000	Retained earnings £'000	Total £'000	NCI £'000	Total equity £'000
Carried forward 31 December 2021		7,134	13,149	108	(594)	3,102	4,121	27,020	2,170	29,190
Contributions by and distribution to owners										
Dividends paid	11	-	-	-	-	-	(851)	(851)	(841)	(1,692)
Share options charge		-	-	(108)	-	-	-	(108)	-	(108)
Total contribution by and distribution to owners		-	-	(108)	-	-	(851)	(959)	(841)	(1,800)
Profit for the year		-	-	-	-	-	(178)	(178)	2,998	2,820
Exchange differences on translation of foreign operations		-	-	-	1,507	-	-	1,507	176	1,683
Total comprehensive income for the year		-	-	-	1,507	-	(178)	1,329	3,174	4,503
Balance at 31 December 2022		7,134	13,149	-	913	3,102	3,092	27,390	4,503	31,893

Share capital	Share premium	Equity reserve	Translation reserve	Merger reserve	Retained earnings	Total	NCI	Total equity
---------------	---------------	----------------	---------------------	----------------	-------------------	-------	-----	--------------

	Notes	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Carried forward										
31 December 2020		7,132	13,139	1	581	3,102	5,901	29,856	1,332	31,188
Contributions by and distribution to owners										
Dividends paid	11	-	-	-	-	-	(2,197)	(2,197)	(508)	(2,705)
Share options granted		-	-	107	-	-	-	107	-	107
Share options exercised		2	10	-	-	-	-	12	-	12
Total contribution by and distribution to owners		2	10	107	-	-	(2,197)	(2,078)	(508)	(2,586)
Profit for the year		-	-	-	-	-	417	417	1,460	1,877
Exchange differences on translation of foreign operations		-	-	-	(1,175)	-	-	(1,175)	(114)	(1,289)
Total comprehensive income for the year		-	-	-	(1,175)	-	417	(758)	1,346	588
Balance at 31 December 2021		7,134	13,149	108	(594)	3,102	4,121	27,020	2,170	29,190

The notes form part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £'000	2021 £'000
Continuing operations			
Cash flows from operating activities			
Cash generated from operations	1	21,124	6,721
Interest paid		(605)	(299)
Tax paid		(2,829)	(1,732)
Net cash from operating activities		17,690	4,690
Cash flows from investing activities			
Purchase of property, plant and equipment	13	(1,157)	(3,262)
Purchase of intangible fixed assets	12	(1,172)	(309)
Purchase of investments	16	(33)	-
Cash proceeds on disposal of property, plant and equipment		73	254
Interest received	8	47	172
Net cash outflow from investing activities		(2,242)	(3,145)
Cash flows from financing activities			
New loans in year	19	5,500	10,869
Loan repayments in year	19	(6,176)	(338)
Share issue (net of share issue costs)		-	12
Dividends paid	11	(851)	(2,197)
Repayments on leases		(14,024)	(9,347)
Non-controlling interest dividends paid		(841)	(508)
Net cash outflow from financing activities		(16,392)	(1,509)
(Decrease)/Increase in cash and cash equivalents		(944)	36
Cash and cash equivalents at beginning of year		11,684	12,720
Effect of foreign exchange rate movements		1,507	(1,072)
Cash and cash equivalents at end of year		12,247	11,684

Cash and cash equivalents at end of year includes overdrafts of £879,000 (2021: £nil).

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1. RECONCILIATION OF PROFIT BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS

	2022 £'000	2021 £'000
Profit before income tax	6,521	4,287
Depreciation charges	13,790	9,691
Amortisation charges	1,742	1,676
Profit on disposal of property, plant and equipment	(14)	(47)
Impairment of intangibles	1,474	-
Loss/(profit) on disposal of right of use assets	10	(143)
Loss on disposal of intangible assets	3	-
Finance costs	2,848	1,937
Finance income	(47)	(172)
Share based payments (credit)/charge	(108)	107
	26,219	17,336
Increase in inventories	(48)	(176)
Increase in trade and other receivables	(6,652)	(31,520)
Increase in trade and other payables	37	21,043
Increase in provisions	1,568	38
Cash generated from operations	21,124	6,721

2. ACCOUNTING POLICIES

Description of the business

Xpediator Plc (the "Company") is a public limited company, incorporated in England and Wales, United Kingdom. The registered office is 700 Avenue West, Skyline 120 Great Notley, Braintree, Essex, CM77 7AA and the Company registration number is 10397171.

The consolidated financial statements comprise the financial information of the Company and its subsidiary undertakings (together the "Group"). Detail of the entities of the Group are described in Note 14.

Basis of preparation

The financial statements have been prepared in accordance with UK adopted international accounting standards, under the historical cost convention. Accounting policies have been consistently applied to the periods presented.

The presentation currency used for the preparation of the financial statements is Pounds Sterling (£), which is the currency of choice of the principal investors of the Group. The amounts are rounded to the nearest thousand, unless otherwise stated.

principal interests of the Group. The amounts are rounded to the nearest thousand, unless otherwise stated.

The preparation of financial statements in conformity with IFRSs requires the use of certain accounting estimates. It also requires the directors to exercise their judgement in the process of applying the Group's accounting policies (see Note 2.1 - Critical accounting estimates and judgements).

Going concern

The Group meets its working capital requirements through the receipt of revenues from the provision of its services in the UK and in CEE, the management of capital and operating expenditure, from the working capital and other borrowing facilities available to it and, from time to time, from the issue of equity capital. Ultimately the receipt of revenues and charges due to the Group depends on the availability of liquidity for the Group's customers and the level of transport and logistics activity in the market.

The Director's expect to continue to grow the business throughout the current year, and at the same time, remain aware of the potential challenges. The business has good foundations and the changes that have occurred in the last nine months, have further enhanced the business base. While cognisant of the wider market environment and the ongoing volatility that is occurring in different parts of the marketplace, transportation and storage of goods will continue to be required and therefore the Director's believe the Group continues to be well placed to grow.

At 31 December 2022 the Group had cash and cash equivalents of £13,126,000 (2021: £11,684,000). The Group also has funding facilities in place, details of which are set out in note 19 of the financial statements.

Having regard to the above and based on their latest assessment of the budgets and forecasts for the business of the company, the directors consider that there are sufficient funds available to the Group to enable it to meet its liabilities as they fall due for a period of not less than twelve months from the date of approval of the financial statements. The directors therefore consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

However, on 4 May 2023, the Board recommended an Offer from DLM Bidco Limited (a newly incorporated entity indirectly owned by a consortium including the Company's largest shareholder, Cogels Investments Limited, the investment vehicle of close family members of Stephen Blyth (former CEO of Xpediator), funds managed by Baltcap, one of the largest private equity investors in the Baltic states, and Justus Versnickas, the Managing Director of, and 20% shareholder in, Delamode Baltics UAB, a subsidiary of Xpediator Plc (together the "Consortium")) to acquire the entire issued, and to be issued, share capital of the Company, which may complete within the next 12 months. Details of the Offer are available on our investor website (<https://xpediator.com/offer-for-xpediator-plc/>)

Whilst the completion of the Offer is subject to approval by eligible shareholders at the shareholder meetings scheduled for 7 June 2023 and sanction by the High Court of Justice in England and Wales, the Group continues to operate autonomously with the assumption that trading will continue post-acquisition as modelled in the detailed forecasts, without adjustments to reflect any incremental costs or expected benefits should the acquisition go ahead. As the directors do not have visibility over the future intentions of the potential acquirer, there can be no certainty over the nature of the continuing operations of the Group should the acquisition proceed successfully. This gives rise to a material uncertainty, as defined in auditing and accounting standards, related to events or conditions that may cast significant doubt on the Group and the Company's ability to continue as a going concern and in such circumstances, the Group and the Company may therefore be unable to realise its assets and discharge its liabilities in the normal course of business.

Basis of consolidation

The Group financial statements consolidate the financial statements of Xpediator Plc and its subsidiaries drawn up to 31 December each year. Subsidiaries are consolidated from the date of their acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. The Company has control over a subsidiary if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

The financial statements of subsidiaries are prepared for the same reporting year as the Company, using consistent accounting policies. Intra-group balances and transactions, including unrealised profits arising from intra-Group transactions, have been eliminated. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Non-controlling interests represent the equity in subsidiaries that is not attributable, directly or indirectly, to Xpediator Plc.

Subsequent to the merger accounting noted below the consolidated financial statements incorporate the results of business combinations using the acquisition method. In the statement of financial position, the acquirer's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated income statement from the date on which control is obtained. They are deconsolidated from the date on which control ceases.

Merger accounting

On 25 May 2017, the Company entered into a share swap agreement with the ultimate beneficiaries of Delamode Group Holdings Limited, whereby 4,000,000 new ordinary shares of £1.00 each were issued to the ultimate beneficiaries of Delamode Group Holdings Limited in exchange for their shares in Delamode Group Holdings Limited in the same proportion as their shareholding in Delamode Group Holdings Limited. The merger method of accounting is used to consolidate the results of Xpediator Plc.

On 8 June 2018, the Company issued 1,727,694 new ordinary shares of £0.05 each as part of the deferred consideration of Easy Managed Transport Limited ("EMT"). On 14 July 2018, the Company issued 3,740,648 new ordinary shares of £0.05 each as part of the acquisition of Import Services Limited. On 31 December 2018, the Company issued 84,951 new ordinary shares of £0.05 each as part of the deferred consideration of Regional Express Limited ("Regional"). On 16 May 2019, the Company issued 1,655,876 shares to the former owners of EMT as part of the payment of the deferred consideration relating to the acquisition of the entire equity of EMT in 2017. On 5 December 2019, the Company issued 89,744 shares to the former owners of Regional as part of the payment of the deferred consideration relating to the acquisition of the entire equity of Regional in 2017. The premium on the fair value in excess of the nominal value of shares issued in consideration of business combinations is credited to the merger reserve.

Revenue

The Group generates revenue in the UK and Europe.

The Group operates a number of diverse businesses and accordingly applies a variety of methods for revenue recognition, based on the principles set out in IFRS 15. The revenue and profits recognised in any reporting period are based on the satisfaction of performance obligations and an assessment of when control is transferred to the customer. In determining the amount of revenue and profits to record, and associated statement of financial position items (such as trade receivables, contract assets and contract liabilities), management is required to review performance obligations within individual contracts. This may involve some judgemental areas (for example within the logistics & warehousing business), where revenue is recorded in advance of invoicing the customer.

Revenue is recognised either when the performance obligation in the contract has been performed (so 'point in time' recognition) or 'over time' as control of the performance obligation is transferred to the customer. For all contracts, the Group determines if the arrangement with a customer creates enforceable rights and obligations, which is in line with our contractual commitments and industry standard best practice (for example Convention Relative au Contrat de Transport International de Marchandises par la Route or CMR).

For each performance obligation to be recognised over time, the Group applies a revenue recognition method that faithfully depicts the Group's performance in transferring control of the goods or services to the customer. This decision requires assessment of the real nature of the goods or services that the Group has promised to transfer to the customer. The Group has assessed the period of time principles as follows:

- The customer receives the benefits of the good being moved from the origin to the destination, as another supplier would not need to re-perform the service performed to date (i.e. the goods have been moved partway).
- The customer becomes committed to pay the Group the moment that the goods are despatched and collected.
- The customer accepts that they are liable to pay for the transaction in full although it is the Group's responsibility to ensure that the shipment is in transit before invoicing.
- The customer can usually be invoiced on despatch/export and has an obligation to pay for services despite any problems that may arise in transit.
- The Group would hold any third party liable for any issues that happen in transit that is beyond its reasonable control.

The Group recognises that it acts as both an agent and a principal. The Group is a principal if it is responsible for the specified good or service before that good or service is transferred to a customer. The Group is an agent if it is not responsible for arranging for the provision of the specified good or service by another party. In this case, the Group does not control the specified good or service provided by another party before that good or service is transferred to the customer. When the Group acts as an agent, it recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party. The Affinity business (see Affinity section of revenue recognition policy) primarily operates as an agent, and largely recognises only the commission earned as revenue.

Freight Forwarding

Under IFRS 15, freight forwarding revenue is recognised over the period of time based on the principles identified above. Therefore, revenue will consist of freight delivered during the period as well as a proportion of revenue for service delivered that are in process as at the end of the reporting period, which is calculated on a time proportioned basis.

Logistics & Warehousing

Logistics & warehousing revenue is recognised over a period of time. Invoicing varies by contract but is typically in line with work performed. Due to the different contractual arrangements in place, each customer is assessed to determine the amount of work carried out, which has not been invoiced at the date of the Group's reporting period. This revenue is recognised by direct reference to the amount of work carried out to deliver the service and measured relative to cost or over the time period which the warehousing is provided. Judgement is therefore required when determining the appropriate timing and amount of revenue that can be recognised. The revenue from handling of incoming products is recognised when a performance obligation is satisfied, but not invoiced at the reporting date, which is correspondingly accrued on the statement of financial position within contract assets.

Affinity

Revenue is recognised at a point in time only after the performance obligation has been actually satisfied. Affinity and trucking services revenue largely acts as an agent based on the assessment above, so only commission is recorded as revenue. This largely relates to provision of DKV fuel cards, which enables the customer to purchase fuel, tolls and other services.

In addition, the Affinity business operates as a reseller ferry crossing, where revenue is recorded at a point in time as it is based on the performance obligation being delivered. Revenue for this part of the business is recorded as a principal due to the assessments identified above.

Gross billings (Affinity)

Recoverable disbursements incurred on behalf of our Affinity Division customers based in Romania and the West Balkans include fuel costs, toll charges and breakdown assistance. The gross billings figure is included within the Groups trade payables and receivables but are excluded from consolidated income statement revenue. The gross billing revenue number is a non-statutory measure but is included to make a more meaningful calculation of days sales outstanding and days payable outstanding, so it is important to understand the level of billings going through the sales and purchase ledgers.

Franchise income

Income relating to franchise fees are not recorded as revenues by the Group but are shown as other income. This revenue arises from the sales of services to the franchisees. This income is recognised over a period of time based on when the services have been transferred to the franchisee in accordance with the terms and conditions of the relevant agreements.

Franchise fees comprise of revenue for the initial allocation of the franchise to the respective member, IT support, marketing and the use of the intellectual property.

Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The cost of the business combination is measured as the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3: Business Combinations are recognised at their fair values at the acquisition date.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised.

If the cost of the acquisition is less than the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities, the difference is recognised directly in the Consolidated Income Statement.

Non-controlling interests

The total comprehensive income of non-wholly owned subsidiaries is attributed to owners of the parent and to the non-controlling interests in proportion to their relative ownership interests.

Goodwill

Goodwill arising on the acquisition of a business represents any excess of the fair value of the consideration over the fair value of the identifiable assets and liabilities acquired. The identifiable assets and liabilities acquired are incorporated into the consolidated financial statements at their fair value to the Group.

Goodwill is not amortised but tested for impairment annually. Any impairment is recognised immediately in the consolidated income statement and is not subsequently reversed. On disposal of a business, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Impairment of non-financial assets (excluding inventories and deferred tax assets)

Impairment tests on goodwill and intangibles with indefinite useful economic lives are undertaken annually in November as part of the Group's budgeting process, except in the year of acquisition when they are tested at the year-end. Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the smallest Group of assets to which it belongs for which there are separately identifiable cash flows; its Cash Generating Units ("CGUs"). Goodwill is allocated on initial recognition to each of the Group's CGUs that are expected to benefit from a business combination that gives rise to the goodwill. Impairment charges are included in profit or loss, except to the extent they reverse gains previously recognised in other comprehensive income. An impairment loss recognised for goodwill is not reversed.

Foreign currencies

The financial statements of the Group are presented in its reporting currency of Sterling. The functional currency of each Group entity is the currency of the primary economic environment in which the entity operates.

Transactions in foreign currencies during the period have been converted at the rates of exchange ruling on the date of the transaction. Assets and liabilities denominated in foreign currencies have been translated at the rates of exchange ruling on the reporting date. Any gains or losses arising from these conversions are credited or charged to administrative expenses in the Consolidated Income Statement.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations, including goodwill arising on the acquisition of those operations, are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income and accumulated in the translation reserve.

On disposal of a foreign operation, the cumulative exchange differences recognised in the foreign exchange reserve relating to that operation up to the date of disposal are transferred to the consolidated statement of comprehensive income as part of the profit or loss on disposal.

Financial assets

The Group classifies its financial assets into the categories discussed below, depending on the purpose for which the asset was acquired. The Group only has financial assets classified as held at amortised cost. The financial assets comprise of trade and other receivables and cash and cash equivalents in the consolidated statement of financial position.

Cash and cash equivalents includes cash in hand, deposits held with banks, and - for the purpose of the statement of cash flows - bank overdrafts. Bank overdrafts are shown within loans and borrowings in current liabilities on the consolidated statement of financial position, unless there is a right of set-off between bank accounts across the Group. In this instance, the net cash position will be shown. Deposits held with banks comprise short-term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

These assets arise principally from the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. Trade receivables are recognised initially at the transaction price and other financial assets are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue. They are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions for current and non-current trade receivables are recognised based on the simplified approach within IFRS 9 using a historical provision matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision

account with the loss being recognised within administration costs in the consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for receivables from related parties and loans to related parties are recognised based on a forward looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those for which credit risk has increased significantly, lifetime expected credit losses are recognised, unless further information becomes available contrary to the increased credit risk. For those that are determined to be permanently credit impaired, lifetime expected credit losses are recognised.

Capital management

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial investments and financial assets (e.g. accounts receivables, other financial assets) and projected cash flows from operations.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, invoice discounting and long-term loan finance.

Financial liabilities

The Group classifies its financial liabilities into two categories - other financial liabilities and fair value through profit and loss:

Other financial liabilities

The Group's other financial liabilities include bank loans, confidential invoice discounting facility, trade and other payables and accruals. Bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the consolidated statement of financial position. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

Fair value through profit and loss

This category only comprises of the element of deferred consideration on business combinations, which is contingent on the performance of the acquired businesses.

Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The company's ordinary shares are classified as equity instruments.

Leased assets

The Group assesses at inception whether the contract is, or contains, a lease. A lease exists if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group assessment includes whether:

- the contract involves the use of an identified asset;
- the Group has the right to obtain substantially all of the economic benefits from the use of the asset throughout the contract period; and
- the Group has the right to direct the use of the asset.

At the commencement of a lease, the Group recognises a right-of-use asset along with a corresponding lease liability.

The lease liability is initially measured at the present value of the remaining lease payments, discounted using the individual entities incremental borrowing rate. The lease term comprises the non-cancellable period of the contract, together with periods covered by an option to extend the lease where the Group is reasonably certain to exercise that option based on operational needs and contractual terms. Subsequently, the lease liability is measured at amortised cost by increasing the carrying amount to reflect interest on the lease liability and reducing it by the lease payments made. The lease liability is remeasured when the Group changes its assessment of whether it will exercise an extension or termination option.

Right-of-use assets are initially measured at cost, comprising the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date, lease incentives received and initial direct costs. Subsequently, right-of-use assets are measured at cost, less any accumulated depreciation and any accumulated impairment losses, and are adjusted for certain remeasurements of the lease liability.

Depreciation is calculated on a straight-line basis over the length of the lease. The Group has elected to apply exemptions for short-term leases and leases for which the underlying asset is of low value. For these leases, payments are charged to the income statement on a straight-line basis over the term of the relevant lease. Right-of-use assets are presented within non-current assets on the face of the statement of financial position, and lease liabilities are shown separately on the statement of financial position in current liabilities and non-current liabilities depending on the maturity of the lease payments.

Under IFRS 16, right-of-use assets will be tested for impairment in accordance with IAS 36 Impairment of Assets. This has replaced the previous requirements to recognise a provision for onerous lease contracts.

Payments associated with short-term leases are recognised on a straight-line basis as an expense in the profit or loss. Short term leases are leases with a lease term of 12 months or less.

Externally acquired intangible assets

Externally acquired intangible assets, other than Goodwill, are initially recognised at cost and subsequently amortised on a straight-line basis over their useful economic lives.

Intangible assets are recognised on business combinations if they are separable from the acquired entity or give rise to other contractual/legal rights. The amounts ascribed to such intangibles are arrived at by using appropriate valuation techniques (see section related to critical estimates and judgements below).

The significant intangibles recognised by the Group, their useful economic lives and the methods used to determine the cost of intangibles acquired in a business combination are as follows:

Intangible asset	Useful economic life	Valuation method
Licences and trademarks	3-25 years	Multiple of historic profits
Customer Related	6-10 Years	Excess Earning Model
Technology Based	5 Years	Replacement Cost

Taxation

The charge for current tax is based on the taxable income for the period. The taxable result for the period differs from the result as reported in the statement of comprehensive income because it excludes items which are not assessable or disallowed and it further excludes items that are taxable and deductible in other years. It is calculated using tax rates that have been enacted or substantially enacted by the statement of financial position date.

Deferred income tax is provided using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes.

Deferred tax assets are recognised only to the extent that future taxable profit will be available such that realisation of the related tax benefits is probable. The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax liabilities/ (assets) are settled/(recovered).

Property, plant and equipment

Items of property, plant and equipment are initially recognised at cost. As well as the purchase price, cost includes directly attributable costs and the estimated present value of any future unavoidable costs of dismantling and removing items. The corresponding liability is recognised within provisions.

Freehold land is not depreciated. Depreciation on assets under construction does not commence until they are complete and available for use. Depreciation is provided on all other items of property, plant and equipment so as to write off their carrying value over their expected useful economic lives. It is provided at the following rates:

Freehold buildings	2%-10% per annum straight line
Fixtures and fittings	20-33% per annum straight line/10%-25% on reducing balance
Computer equipment	33% per annum straight line/20%-50% on reducing balance

Dividends

Dividends are recognised when they become legally payable. In the case of final dividends, this is when approved by the shareholders at the annual general meeting.

Holiday pay accrual

All employees accrue holiday pay during the calendar year, the board encourages all employees to use their full entitlement throughout the year, however in the unlikely case that an employee has untaken holiday pay this is accrued for at the daily salary costs, including costs of employment, such as social security.

Staff pensions

The Group does not operate a pension scheme for its employees however it does make payments to defined contribution pension schemes on behalf of employees in the UK in accordance with auto enrolment legislation. The payments made are recognised as an expense in the period to which they relate.

Share-based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest. At each reporting date, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss over the remaining vesting period, with a corresponding adjustment to the equity-settled employee benefits reserve.

Equity-settled share-based payment transactions with other parties are measured at the fair value of the goods or services received, except where the fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

Exceptional items

The Group has adopted an accounting policy and income statement format which seeks to highlight unusual significant items of income and expense within Group result for the year. The Directors consider that this presentation provides a more representative analysis of the Group performance by highlighting the impact of one-off items. Such items may include significant restructuring costs, profits or losses on disposal or termination of operations, gains or losses on disposal of investments, significant impairment of assets, and significant costs incurred in the relocation of operations. Further details can be found in note 27 to the Consolidated financial statements.

Provisions

The Group has recognised provisions for liabilities of the uncertain timing or amount for leasehold dilapidations. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date, discounted at a pre-tax rate reflecting current market assessments of the time value of money and risks specific to the liability. The provision takes into account the potential that the properties in question may be sublet for some or all of the remaining lease term.

The directors are aware of potential risks relating to the impact of climate change, and consider no provision is required at the year end (2021: £nil).

2.1 Critical Accounting Estimates and Judgements

The Group makes certain estimates and assumptions regarding the future. Management also needs to exercise judgement in applying the Group's accounting policies. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

2.1.1 Principal estimates

- Estimated impairment of intangible assets (including goodwill)

The Group annually tests whether the carrying value of intangible assets (including goodwill) has suffered any impairment. These calculations require the use of estimates, both in arriving at the expected future profitability of the cash generating units (CGUs) and the application of a suitable discount rate in order to calculate the present value of these flows. As the impairment of the CGUs is based on a future forecast, the Group has used a level of judgement around key assumptions of future cashflows greater than 12 months. At 31 December 2022, the carrying value of intangible assets (including goodwill) is £20,011,000 (2021: £21,923,000). Details of the impairment and sensitivity of cashflows are disclosed in note 12.

- Trade receivables

In accordance with IFRS 9, the Group assesses whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument both due within one year and more than one year as at the reporting date with the risk of a default occurring on the trade receivable as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. The Group has trade receivables less provision for expected credit losses at the year-end of £86,022,000 (2021: £77,699,000). Details of trade receivables and expected credit loss are disclosed in note 17.

- Deferred tax assets

Deferred tax assets have been recognised in relation to trading losses generated in the entities, these have been restricted to those instances where it is probable that the assets will be utilised against future trading profits. The Group has recognised a deferred tax asset of £813,000 (2021: £904,000) as disclosed in note 8.

2.1.2 Principal judgements

- Current financial assets

Current financial assets relate to the security deposits held by DKV on behalf of the Group which are refundable on termination of the agreement which can be served giving three months' notice hence they are classed as current assets, are disclosed in note 17.

3. REVENUE ANALYSIS BY COUNTRY

	2022	2021
	£'000	£'000
United Kingdom	110,643	114,943
Lithuania	156,301	91,261
Romania	55,525	40,582
Bulgaria	41,707	33,369
Serbia	9,997	8,307
Other	12,524	8,132
Total revenue	386,697	296,594

The table below shows revenue by timing of transfer of goods and services:

3A) REVENUE FROM CONTRACTS WITH CUSTOMERS

	2022	2021
	£'000	£'000
Over a period of time	378,254	290,318
At a point in time	8,443	6,276
Total revenue	386,697	296,594

Revenue is derived from three main divisions: Transport solutions, referred to as Affinity, Freight Forwarding, and Logistics & Warehousing, as detailed in note 7.

3B) CONTRACT ASSETS

	2022	2021
	£'000	£'000
At 1 January	6,256	1,335
Net movement for the year	(7,987)	4,971

Remuneration for the year	2022	2021
At 31 December	3,274	6,256

Contract assets are included within trade and other receivables on the face of the statement of financial position.

3C) NON-CURRENT ASSETS BY COUNTRY

	2022 £'000	2021 £'000
United Kingdom	93,848	70,493
Romania	6,293	7,806
Bulgaria	5,273	699
Lithuania	13,848	6,547
Serbia	468	102
Other	75	64
Total Non-Current Assets	119,805	85,711

4. OTHER OPERATING INCOME

Other operating income arises mainly from sundry services executed by the Group, not being freight forwarding, logistics and warehousing or affinity services. Since this is not considered to be part of the main revenue generating activities, the Group presents this income separately from revenue.

	2022 £'000	2021 £'000
Recharges to Franchise members	1,336	1,098
Recovery of fines/penalties	387	(90)
Rental income	392	20
Other	102	450
Total	2,217	1,478

5. OPERATING PROFIT

	2022 £'000	2021 £'000
Operating profit is stated after charging/(crediting):		
Short term hire costs	814	526
Depreciation - owned assets (note 13)	1,341	1,108
Depreciation - right of use assets (note 25)	12,449	8,583
Amortisation of intangible assets (note 12) ¹	1,742	1,676
Impairment of goodwill arising on acquisition of subsidiary (note 12)	1,474	-
Auditors' remuneration	330	320
Gain on disposal of property, plant and equipment	(14)	(47)
Loss on disposal of intangible assets	3	-
Loss/(gain) on disposal of right of use assets	10	(143)
Foreign exchange losses/(gains)	832	(344)

¹Amortisation charges on the Group's intangible assets are recognised in the administrative expenses line item in the consolidated income statement.

The remuneration paid to Crowe U.K. LLP and its associates; the Group's external auditors is as follows:

	2022 £'000	2021 £'000
Audit and Audit Related Services		
The audit of the Company and Group financial statements	131	114
The audit of the financial statements of subsidiaries of the Group	189	196
Other assurance services	10	10
Total audit and audit related services	330	320

6. EMPLOYEE BENEFIT EXPENSES

	2022 £'000	2021 £'000
<i>Employee benefit expenses (including directors) comprise:</i>		
Wages and salaries	37,298	26,440
Short-term non-monetary benefits	113	447
Share based payments (credit)/charge	(108)	88
Defined contribution pension cost	532	367
Social security contributions and similar taxes	2,183	1,695
Total	40,018	29,037

Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, including the directors of the Company.

	2022 £'000	2021 £'000
Salary and bonuses	1,259	1,985
Compensation for loss of office	202	202
Short-term non-monetary benefits	26	27
Share based payments (credit)/charge	(19)	19
Defined contribution pension cost	13	44
Total	1,481	2,277

Directors' remuneration

	2022 £'000	2021 £'000
Salary and bonuses	943	907
Compensation for loss of office	80	202
Short-term non-monetary benefits	10	24
Share based payments (credit)/charge	(10)	10
Defined contribution pension cost	4	11
Total	1,027	1,154

Short-term non-monetary benefits comprises of private family medical cover, company car and insurance benefits.

Total remuneration regarding the highest paid Director is as follows:

	2022 £'000	2021 £'000
Total aggregate remuneration	232	617

The average number of employees (including directors) during the year was as follows:

	2022	2021
Freight forwarding	859	754
Logistics	585	550
Other	67	128
Total	1,511	1,432

7. SEGMENTAL ANALYSIS

Types of services from which each reportable segment derives its revenues

The Group had three main divisions: Transport Solutions, referred to as Affinity, Freight Forwarding, and Logistics & Warehousing. All revenue is

derived from the provision of services.

- Freight Forwarding - This division is the core business and relates to the movement of freight goods across Europe. This division accounts for the largest proportion of the Group's business, generating 81% of its external revenues. (2021: 79%)
- Affinity - This division is the Transport Solution's arm of the Group. It focuses on the reselling of DKV fuel cards, leasing, ferry crossings and other associated transport related services. This division accounts for 2% of the Group's business in terms of revenue (2021: 2%)
- Logistics & Warehousing - This division is involved in the warehousing and domestic distribution; delivering 17% of the Group's external revenues in 2022 (2021: 19%).

Factors that management used to identify the Group's reportable segments

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision maker has been identified as the management team comprising the Divisional Chief Operating Officers, the Chief Executive Officer and the Chief Financial Officer.

Measurement of operating segment profit or loss

The Group evaluates segmental performance on the basis of profit or loss from operations calculated in accordance with IFRS 8. Segment assets and liabilities are measured in the same way in the financial statements, and they are allocated based on the operations of the segment.

Inter-segment sales are priced at market rates and at arm's length basis, along the same lines as sales to external customers. This policy was applied consistently throughout the current and prior period.

	Freight	Logistics &	Affinity	Overheads	Total
	Forwarding	Warehousing			
	2022	2022			
	£'000	£'000	£'000	£'000	£'000
Gross billings	312,596	65,627	189,611	31	567,865
Less recoverable disbursements	-	-	(181,168)	-	(181,168)
Total revenue	312,596	65,627	8,443	31	386,697
Inter-segmental revenue	74	(74)	-	-	-
Total revenue from external customers	312,670	65,553	8,443	31	386,697
Depreciation & amortisation (excluding right-of-use asset depreciation)	(1,209)	(1,493)	(64)	(317)	(3,083)
Segment profit before central overhead allocation (excluding exceptional items)	12,572	662	2,709	(6,138)	9,805
Allocation of central overheads	(1,347)	(707)	(17)	2,071	-
Segment profit after central overhead allocation (excluding exceptional items)	11,225	(45)	2,692	(4,067)	9,805
Net finance costs					(2,801)
Exceptional items					(483)
Profit before income tax					6,521
Total segment assets / equity & liabilities	102,438	84,706	28,966	21,701	237,811

	Freight	Logistics &	Affinity	Overheads	Total
	Forwarding	Warehousing			
	2021	2021			
	£'000	£'000	£'000	£'000	£'000
Gross billings	234,182	56,136	145,919	-	436,237
Less recoverable disbursements	-	-	(139,643)	-	(139,643)
Total revenue	234,182	56,136	6,276	-	296,594
Inter-segmental revenue	(607)	607	-	-	-
Total revenue from external customers	233,575	56,743	6,276	-	296,594
Depreciation & amortisation (excluding right-of-use asset depreciation)	(973)	(1,482)	(49)	(280)	(2,784)
Segment profit before central overhead allocation (excluding exceptional items)	9,673	1,498	2,355	(4,864)	8,662
Allocation of central overheads	(1,615)	(802)	(79)	2,496	-
Segment profit after central overhead allocation (excluding exceptional items)	8,058	696	2,276	(2,368)	8,662
Net finance costs					(1,765)
Exceptional items					(2,610)
Profit before income tax					4,287
Total segment assets / equity & liabilities	88,065	71,281	25,917	10,862	196,125

8. NET FINANCE COSTS

	2022	2021
	£'000	£'000
Finance income:		
Deposit account interest	47	143
Interest receivable on Benfleet vendor income	-	29
Total finance income	47	172
Finance costs:		
Bank loan & confidential invoicing discount interest	(687)	(352)
Right-of-use asset interest	(2,161)	(1,585)
Total finance costs	(2,848)	(1,937)
Net finance costs	(2,801)	(1,765)

9. INCOME TAX

Analysis of tax expense

	2022	2021
	£'000	£'000
Current tax:		
Tax on profits for the year	4,004	2,338
Adjustments in respect of prior periods	(65)	(60)
Total current tax payable	3,939	2,278
Deferred tax credit	(238)	132
Total tax expense in consolidated statement of profit or loss	3,701	2,410

The reconciling items for the difference between the actual tax charge for the year and the standard rate of corporation tax in UK (the ultimate parent company's tax residency) applied to profits for the year are as follows:

	2022	2021
	£'000	£'000
Profit before tax	6,521	4,287
UK tax charge at 19%	1,239	814
Overseas tax charge	(976)	(616)
Expenses not deductible for tax purposes	1,252	728
Movement in deferred tax	(238)	(134)
Remeasurement of deferred tax - change in the UK tax rate	-	266
Unrecognised deferred tax	2,515	1,826
Adjustment in respect of prior periods	(65)	(60)
Other	(26)	(414)
Total tax expense	3,701	2,410

Deferred Tax

	2022	2021
	£'000	£'000
Assets - Arising from Trading losses		
Balance as at 1 January	904	707
Movement in the year as a result of trading	(91)	(20)
Effect of change in rate of taxation	-	217
Balance as at 31 December	813	904

	2022	2021
	£'000	£'000
Liabilities		
Balance as at 1 January	(2,011)	(1,697)
(Charge)/release to income statements	328	154
Effect of change in rate of taxation	-	(483)
Movement in foreign exchange	(19)	15
Balance as at 31 December	(1,702)	(2,011)

The deferred tax asset relates to losses carried forward at the rate of tax in the relevant jurisdiction.

The UK government announced that the corporation tax rate of 25% will be enacted for the tax year 1 April 2023 to 31 March 2024 and this is the rate reflected in these financial statements. Deferred taxes at the statement of financial position date have been measured using these enacted tax rates and reflected in these financial statements.

In addition, the Group has potential deferred tax assets for trading losses totalling £8,481,000 (2021: £3,170,000) arising from certain subsidiaries across the Group. These assets have not been recognised due to insufficient certainty that the suitable profits will be generated in the foreseeable future.

The deferred tax liabilities relate to liabilities arising as part of the Group's acquisitions.

10. EARNINGS PER SHARE

	2022	2021
	'000	'000
Basic weighted average number of shares	141,688	141,660
Potentially dilutive share options	-	267
Diluted weighted average number of shares	141,688	141,927

	£'000	£'000
(Loss)/profit for the year attributable to owners of the parent company	(178)	417
Earnings pence per share - basic	(0.13)	0.29
Earnings pence per share - diluted	N/a	0.29

	£'000	£'000
(Loss)/profit for the year attributable to owners of the parent company	(178)	417
Exceptional items (note 27)	483	2,610
Amortisation of intangible assets arising from acquisitions (note 12)	1,471	1,472
Impairment of goodwill arising on acquisition of subsidiary (note 12)	1,474	-
Additional interest charge due to IFRS16 accounting standard change	1,046	714
Adjusted profit for the year attributable to owners of the parent company	4,296	5,213
Adjusted earnings pence per share - basic	3.03	3.68
Adjusted earnings pence per share - diluted	3.03	3.67

11. DIVIDENDS

	2022	2021
	£'000	£'000
Final dividend of £nil (2021: 0.60p) per ordinary share	-	850
Interim dividend of £nil (2021: 0.50p) per ordinary share	-	709

Subject to approval by shareholders, the Board is not recommending a final dividend to be paid to shareholders, whilst no interim dividend was paid during the year. In 2021 a total dividend of 1.10p per share was paid.

However, pursuant to the Offer and conditional upon shareholder approval and the Offer completing, a special dividend of 2p per share will be paid by the Company, further details as to the timing of which will be provided as appropriate, in due course.

12. INTANGIBLE ASSETS

Group

	Licences and trademarks	Goodwill	Customer Related	Technology Related	Total
	£'000	£'000	£'000	£'000	£'000
COST					
At 1 January 2022	3,387	14,160	12,258	510	30,315
Additions	1,172	-	-	-	1,172
Transfer	(253)	253	-	-	-
Disposals	(4)	-	-	-	(4)
Exchange differences	182	-	-	-	182
At 31 December 2022	4,484	14,413	12,258	510	31,665
AMORTISATION					
At 1 January 2022	952	1,845	5,241	354	8,392
Charge for the year	364	-	1,276	102	1,742
Impairment	-	1,474	-	-	1,474
Disposals	(1)	-	-	-	(1)
Exchange differences	47	-	-	-	47
At 31 December 2022	1,362	3,319	6,517	456	11,654
NET BOOK VALUE					
At 31 December 2022	3,122	11,094	5,741	54	20,011
At 1 January 2022	2,435	12,315	7,017	156	21,923

COST	Licences £'000	Goodwill £'000	Related £'000	Related £'000	Total £'000
At 1 January 2021	3,234	14,160	12,258	510	30,162
Additions	309	-	-	-	309
Disposals	(90)	-	-	-	(90)
Exchange differences	(66)	-	-	-	(66)
At 31 December 2021	3,387	14,160	12,258	510	30,315
AMORTISATION					
At 1 January 2021	751	1,845	3,871	252	6,719
Charge for the year	204	-	1,370	102	1,676
Disposals	(90)	-	-	-	(90)
Exchange differences	87	-	-	-	87
At 31 December 2021	952	1,845	5,241	354	8,392
NET BOOK VALUE					
At 31 December 2021	2,435	12,315	7,017	156	21,923
At 1 January 2021	2,483	12,315	8,387	258	23,443

The goodwill included in the above note, relates to acquisition of Pallet Express Srl in January 2016, Easy Managed Transport Limited in March 2017, Benfleet Forwarding Limited in October 2017, Regional Express Limited in November 2017, Anglia Forwarding Group Limited in June 2018, Import Services Limited in July 2018, International Cargo Centre Limited in April 2020 and Nidd Transport Limited in October 2020.

Goodwill arising on acquisition of a UK freight forwarding subsidiary was written down during the year by £1,474,000 (2021: £nil), reflecting expected profitability.

Annual test for impairment

The Group carries out its impairment tests annually in November as part of the budget process and all newly acquired entities are also reviewed for impairment at the reporting date.

Upon acquisition the goodwill and other intangibles are calculated at Cash Generating Unit ("CGU") level, these are then measured based on forecast cash flow projections, the first year of which is based on the CGU's current annual financial budget which has been approved by the board. The cash flow projections for years two to five have been derived based on growth rates that are considered to be in line with the market expectations.

The recoverable amount is determined based on value in use calculations. The use of this method requires the estimation of future cash flows and the determination of a discount rate in order to calculate the present value of the cash flows.

In determining the future free cash flow, the main drivers have been revenue and Earnings Before Interest and Tax ("EBIT") margins, with margins remaining at expected levels.

The directors have reviewed the future profit and cash flow forecasts for the next five years and applying a discount rate of between 13.8% to 17.3% to the cash flow projections when determining the net present value of these cash flow. Goodwill arising on acquisition of a UK freight forwarding subsidiary was written down during the year by £1,474,000 (2021: £nil), reflecting expected profitability. The Directors believe there is sufficient headroom in the value of the remaining CGUs to not have to further impair the goodwill.

Key assumptions used in the impairment calculations are as follows:

Entity	Division	Impairment WACC %	Short term Revenue Growth Rate %	Long Term Revenue Growth Rates %
Pallet Express Srl	Logistics & Warehousing	15.4	13.1	3.0
Delamode Logistics Limited	Logistics & Warehousing	14.6	(2.7)	3.5
Delamode Anglia Limited	Freight Forwarding	17.3	1.0	1.3
Regional Express Limited	Logistics & Warehousing	15.4	5.4	3.0
Nidd Transport Limited	Freight Forwarding	13.8	7.2	3.3

The WACC of the Group has been calculated at a rate of between 13.8% to 17.3% with each CGU being adjusted to take into consideration a specific Company premium risk factor.

The short-term growth rate for each CGU uses several factors including the expected new business or the loss of existing business. These growth rates are based on the internal three-year plans submitted by local management and reviewed through a thorough board process during the annual budget cycle.

Sensitivity to changes in key assumptions

Impairment testing is dependent on management's estimates and judgements, particularly as they relate to the forecasting of future cashflows, the discount rates selected and expected long-term growth rates.

The Group has conducted sensitivity analysis on the impairment test of the CGU's classified within continuing operations. Goodwill arising on acquisition of a UK freight forwarding subsidiary was written down during the year by £1,474,000 (2021: £nil), reflecting expected profitability and considering sensitivity in key assumptions, as detailed below (inclusive of the write down):

Assumption	Estimate used	Change £'000	Excess / (Shortfall) £'000
Increase in long term growth	1.3%	+ 1.0%	2,599
Decrease in long term growth	1.3%	- 1.0%	1,515
Increase in WACC	17.3%	+ 1.0%	1,587
Decrease in margins	Forecast	- 0.25%	1,225
Delay in turnaround - EBIT as % of revenue in 2023/2024	1.8%	- 3.4%	(684)

The directors believe that there is sufficient headroom in the value of the remaining business to not have to further impair the goodwill.

13. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold property £'000	Fixtures and fittings £'000	Motor vehicles £'000	Computer equipment £'000	Totals £'000
COST					
At 1 January 2022	322	4,248	921	3,824	9,315
Additions	131	548	79	399	1,157
Disposals	-	(183)	(132)	(141)	(456)
Transfers between categories	-	230	(99)	(131)	-
Exchange differences	43	35	(65)	5	18
At 31 December 2022	496	4,878	704	3,956	10,034
DEPRECIATION					
At 1 January 2022	121	1,881	529	2,221	4,752
Charge for the year	41	628	87	585	1,341
Eliminated on disposal	-	(174)	(119)	(104)	(397)
Transfers between categories	-	136	(1)	(135)	-
Exchange differences	1	27	(41)	(47)	(60)
At 31 December 2022	163	2,498	455	2,520	5,636
NET BOOK VALUE					
At 31 December 2022	333	2,380	249	1,436	4,398
At 1 January 2022	201	2,367	392	1,603	4,563

Group	Freehold property £'000	Fixtures and fittings £'000	Motor vehicles £'000	Computer equipment £'000	Totals £'000
COST					
At 1 January 2021	258	2,666	1,024	2,745	6,693
Additions	106	1,717	145	1,294	3,262

Disposals	(31)	(74)	(209)	(160)	(474)
Exchange differences	(11)	(61)	(39)	(55)	(166)
At 31 December 2021	322	4,248	921	3,824	9,315
DEPRECIATION					
At 1 January 2021	97	1,462	671	1,767	3,997
Charge for the year	35	513	61	499	1,108
Eliminated on disposal	(8)	(70)	(176)	(12)	(266)
Exchange differences	(3)	(24)	(27)	(33)	(87)
At 31 December 2021	121	1,881	529	2,221	4,752
NET BOOK VALUE					
At 31 December 2021	201	2,367	392	1,603	4,563
At 1 January 2021	161	1,204	353	978	2,696

14. SUBSIDIARIES

The subsidiaries of Xpediator Plc, all of which have been included in these consolidated financial statements, are as follows:

Name	Registered Office	Country of incorporation	Proportion of ownership interest 2022	Proportion of ownership interest 2021
Delamode Holdings Ltd	1	United Kingdom	100%	100%
Delamode Distribution UK Ltd	1	United Kingdom	51%	51%
Delamode Plc	1	United Kingdom	100%	100%
Delamode Property Ltd	1	United Kingdom	100%	100%
Xpediator Services Limited	1	United Kingdom	100%	100%
Easy Managed Transport Limited	1	United Kingdom	100%	100%
Benfleet Forwarding Limited	1	United Kingdom	100%	100%
Regional Express Limited	1	United Kingdom	100%	100%
Delamode International Logistics Ltd (formerly Import Services Ltd)	1	United Kingdom	100%	100%
Anglia Forwarding Group Limited	1	United Kingdom	100%	100%
Delamode Anglia Ltd (formerly Anglia Forwarding Ltd)	1	United Kingdom	100%	100%
Traker International Limited	1	United Kingdom	100%	100%
Delamode Nidd Ltd (formerly Nidd Transport Ltd)	1	United Kingdom	100%	100%
International Cargo Centre Limited	1	United Kingdom	100%	100%
Affinity Transport Solutions Srl	2	Romania	100%	100%
Delamode Moldova Srl	3	Moldova	100%	100%
Delamode Bulgaria OOD	4	Bulgaria	90%	90%
Delamode Balkans DOO	5	Serbia	100%	100%
Affinity Balkans DOO	6	Montenegro	100%	100%
Delamode Macedonia	7	Macedonia	100%	100%
Delamode Baltics UAB	8	Lithuania	80%	80%
Delamode Estonia OÜ	9	Estonia	80%	80%
Delamode Romania Srl	2	Romania	100%	100%
Affinity Leasing IFN	2	Romania	99.95%	99.95%
Delamode Group Limited	10	Malta	100%	100%
Delamode Group Holdings Limited	10	Malta	100%	100%
Pallet Express Srl	11	Romania	100%	100%
Pallex Hungary	12	Hungary	100%	100%
Regional Express GmbH	13	Germany	100%	100%
Delamode Netherlands BV	14	Netherlands	100%	-
Delamode Finland OY	15	Finland	100%	-

Delamode Group Holdings Limited, Easy Managed Transport Limited, Benfleet Forwarding Limited, Regional Express Limited, Delamode International Logistic Limited, Anglia Forwarding Group Limited, Delamode Nidd Limited and Delamode Netherlands BV, are the only Subsidiaries held directly by Xpediator Plc.

1	700 Avenue West, Skyline 120, Braintree, Essex, CM77 7AA, United Kingdom
2	Bulevardul Timișoara, Nr. 4A, Etaj 1, București Sectorul 6, 061328, Romania
3	Bd. Moscova 21/5 of. 1011 MD-2068, Chisinau, Republic of Moldova
4	361 Tsarigradsko Shose Boulevard, 1582, Sofia, Bulgaria
5	Bulevar Oslobođenja 113, 11010 Vozdovac, Belgrade, Serbia
6	Dzordza, Vasingtona 51/43, Podgorica, 81000, Montenegro
7	Stefan Jakimov Dedov 14/1 1, 1000 Skopje, Macedonia
8	Eiguliu G, 2 03150, Vilnius, Lithuania
9	Pärnu mnt 160e, 11318 Tallinn, Estonia
10	Europa Business Centre, Level 3 - Suite 701, Dun Karm Street Birkirkara BKR 9034, Malta
11	Stefan cel Mare street, no. 197A, Sibiu, 550321, Romania
12	1141 Budapest Szuglo utcs 82, Hungary
13	Darmstadter Landstrasse 116, Frankfurt, 60598, Germany
14	Venneveld 9, 4705RR Roosendaal, the Netherlands
15	Malminkaari 23 A 00700 Helsinki, Finland

The following companies are entitled to exemption from audit under Section 479A of the UK Companies Act 2006 relating to subsidiary companies:

Company	Registration
Delamode Property Limited	06895332
Traker International Limited	02068943
International Cargo Centre Limited	02932640
Xpediator Services Limited	09724594
Anglia Forwarding Group Limited	07148692
Benfleet Forwarding Limited	02218468
Easy Managed Transport Limited	02293696
Delamode Holdings Limited	05751316
Delamode Plc	03716214

15. NON-CONTROLLING INTERESTS

Non-controlling interests ("NCI") held in the Group are as follows:

	2022	2021
Delamode Baltics UAB	20.0%	20.0%
Delamode Estonia OÜ	20.0%	20.0%
Delamode Bulgaria OOD	10.0%	10.0%
Affinity Leasing IFN	0.05%	0.05%
Delamode Distribution UK Limited	49.0%	49.0%

The summarised financial information in relation to Delamode Bulgaria OOD and Delamode Baltics UAB before intra-Group eliminations, is presented below together with amounts attributable to NCI:

	Delamode Bulgaria OOD £'000	Delamode Baltics UAB £'000
Total NCI at 1 January 2022	201	1,715
Non-controlling interest in results for the year	142	2,814
Non-controlling interest in dividends for the year	(90)	(629)
Non-controlling Interest in translation adjustment	11	94
Total NCI at 31 December 2022	264	3,994

	Delamode Bulgaria OOD £'000	Delamode Baltics UAB £'000
Share Capital	-	5
Reserves	264	3,989
Total NCI at 31 December 2022	264	3,994

Income Statement	Delamode Bulgaria OOD		Delamode Baltics UAB	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Revenue	42,503	34,428	158,726	93,066
Cost of sales	(37,825)	(30,598)	(128,231)	(78,135)
Gross profit	4,678	3,830	30,495	14,931
Administrative expenses	(3,335)	(2,522)	(15,394)	(8,298)
Other income	227	21	451	164
Operating profit	1,570	1,329	15,552	6,797
Finance income/(costs)	(52)	(15)	350	217
Profit before tax	1,518	1,314	15,902	7,014
Tax expense	(153)	(132)	(2,366)	(1,051)
Profit after tax	1,365	1,182	13,536	5,963
Profit after tax attributable to non-controlling interests	137	118	2,707	1,193

Statement of Financial Position	Delamode Bulgaria OOD		Delamode Baltics UAB	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
For the year to 31 December				
Assets:				
Non-current trade and receivables	31	17	1,548	465
Property plant and equipment	65	80	383	240
Right-of-use assets	5,187	622	12,079	6,240
Inventories	33	13	56	175
Trade and other debtors	6,962	7,462	35,497	22,011
Cash and cash equivalents	1,614	914	6,708	1,495
	13,892	9,108	56,271	30,626
Liabilities:				
Trade and other payables	6,080	6,477	23,821	15,813
Lease liabilities - right-of-use assets	5,167	622	11,801	6,240
Loans and other borrowings	-	-	680	-
	11,247	7,099	36,302	22,053
Total net assets	2,645	2,009	19,969	8,573
Accumulated non-controlling interests	264	201	3,994	1,715

Statement of Cash Flows	Delamode Bulgaria OOD		Delamode Baltics UAB	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
For the year to 31 December				
Cash flows from operating activities	1,859	848	8,684	352
Cash flows from investing activities	(34)	(21)	(3,168)	525
Cash flows from financing activities	(1,246)	(973)	(754)	(1409)
Increase/(Decrease) in cash and cash equivalents	579	(146)	4,762	(532)
Cash and cash equivalents at beginning of year	914	1,156	1,495	2,336
Effect of foreign exchange rate movements	121	(96)	451	(309)
Cash and cash equivalents at end of year	1,614	914	6,708	1,495

The NCI of all the other shareholders, that are not 100% owned by the Group are considered to be immaterial.

16. INVESTMENTS

Cost	Participating interests £'000
At 1 January 2022	-
Movement	33
At 31 December 2022	33
Net Book Value	
At 31 December 2022	33

17. TRADE AND OTHER RECEIVABLES

Group	2022 £'000	2021 £'000
Current:		
Trade receivables	90,867	82,127
Less: provision for impairment of trade receivables	(4,845)	(4,428)

	86,022	77,699
Current financial assets	4,915	5,082
Prepayments and contract assets	10,584	10,845
Other receivables	3,076	4,869
Total	104,597	98,495
Non-Current		
Trade and other receivables	1,247	-

Current financial assets relate to the security deposits held by DKV on behalf of the Group which are refundable on termination of the agreement which can be served giving three months' notice hence they are classed as current assets.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables and contract assets. To measure expected credit losses on a collective basis, trade receivables and contract assets are grouped based on similar credit risk and aging. The contract assets have similar risk characteristics to the trade receivables for similar types of contracts.

The expected loss rates are based on the Group's historical credit losses experienced. The historical loss rates are then adjusted to reflect current and forward-looking information, any known legal and specific economic factors, including the credit worthiness and ability of the customer to settle the receivable.

The movements in the impairment allowance for trade receivables are as follows:

	2022	2021
Group	£'000	£'000
At 1 January	4,428	2,976
Amount charged to the Consolidated Income Statement in the year	863	1,475
Receivables written off during the year as uncollectible	(446)	(23)
At 31 December	4,845	4,428

The lifetime expected loss provision for trade receivables and contract assets is as follows:

	Current £'000	More than 30 Days Past Due £'000	More than 60 Days Past Due £'000	More than 90 Days Past Due £'000	Total £'000
At 31 December 2022					
Expected loss rate	0.27%	4.24%	6.14%	66.73%	
Gross carrying amount	80,120	5,471	1,978	6,412	93,981
Loss provision	213	232	121	4,279	4,845

	Current £'000	More than 30 Days Past Due £'000	More than 60 Days Past Due £'000	More than 90 Days Past Due £'000	Total £'000
At 31 December 2021					
Expected loss rate	1.2%	12.9%	6.0%	74.9%	
Gross carrying amount	80,901	2,197	1,128	4,157	88,383
Loss provision	963	283	68	3,114	4,428

18. TRADE AND OTHER PAYABLES

	2022	2021
Group	£'000	£'000
Current:		
Trade and other payables	76,475	72,094
Social security and other taxes	3,838	2,032
Other creditors	2,988	6,760
Accruals	4,135	5,333
Total Trade and other payables	87,436	86,219
Non-current		
Trade and other payables	273	343

19. BANK AND OTHER LOANS

	2022	2021
Group	£'000	£'000
Current:		
Overdrafts	879	-
Bank loans	912	1,891
Confidential invoice discounting facility	10,822	14,602
	12,613	16,493
Non-current:		
Bank loans - 1-2 years	913	-
Bank loans - 2-5 years	3,170	-
Bank loans due after 5 years repayable by instalments	-	-
	4,083	-

The Lloyds bank loan, on which interest was charged at both a fixed rate of 6.4% and a variable rate of 1.1% above the Bank of England base rate, was repaid in full in January 2022. This was replaced with a loan facility from Investec bank, in which interest is payable at a variable rate of 4.5% above the Bank of England base rate and is repayable by April 2026.

The Lloyds bank loan was partially guaranteed by the personal assets of some of the Directors and Key Management of the Group, which has since been satisfied.

The book value and fair value of loans and borrowings are as follows:

	2022	2021
Non-Current	£'000	£'000
Bank borrowings and others		
- Secured	4,083	-
Current		
Bank borrowings and others		
- Secured	12,613	16,493
Total loans and borrowings	16,696	16,493
Sterling	16,696	16,493

Bank borrowings and overdrafts are secured by a fixed and floating charge over the Group's assets.

The movements in the bank and other loans are as follows:

	2022	2021
Group	£'000	£'000
At 1 January	16,493	5,962
New borrowings in the year	6,379	10,869
Borrowings repaid during the year	(6,176)	(338)
At 31 December	16,696	16,493

20. PROVISIONS

	2022	2021
	£'000	£'000
At 1 January	2,191	2,153
Additions during the year	1,568	38
At 31 December	3,759	2,191

Other provisions relate to an assessment of dilapidation of leasehold properties. In each instance, management undertake surveys from time to time to understand the work required to bring the leasehold properties back to their original condition. The additions relate to the new leasehold properties and the provisions at each reporting date are as follows:

21. FINANCIAL INSTRUMENTS - RISK MANAGEMENT

The Group is exposed through its operations to the following financial risks:

- Credit risk
- Market price risk
- Cash flow and fair value interest rate risk
- Foreign exchange risk, and
- Liquidity risk.

The Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

Principal financial instruments

The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

- Trade and other receivables (excluding prepayments)
- Cash and cash equivalents
- Trade and other payables
- Bank overdrafts
- Bank loans and invoice discounting
- Lease liabilities

Financial instruments by category: Financial assets at amortised cost

	2022	2021
	£'000	£'000
Cash and cash equivalents	13,126	11,684
Trade and other receivables	99,188	87,650
Total financial assets at amortised costs	112,314	99,334

Financial Liabilities

	Fair value through profit and loss		Loans and other payables	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Trade and other payables	-	-	87,709	81,229
Overdrafts, bank loans and invoice discounting	-	-	16,696	16,493
Lease liabilities	-	-	96,052	59,678
Total financial liabilities	-	-	200,457	157,400

Financial instruments not measured at fair value

These include cash and cash equivalents, trade and other receivables (excluding prepayments), trade and other payables, overdrafts and loans and borrowings. Due to their short-term nature, the carrying value of cash and cash equivalents, overdrafts, trade and other receivables, trade and other payables approximates their fair value.

The Group's activities expose it to a variety of financial risks: credit risk, market risk (including foreign exchange risk, price risk and cashflow and fair value interest rate risk) and liquidity risk. The financial risks relate to the following financial instruments: cash and cash equivalents, trade and other receivables (excluding prepayments), trade and other payables, and loans and borrowings. The accounting policies with respect to these financial instruments are described in note 2.

Risk management is carried out by the directors under policies, where they identify and evaluate financial risks in close co-operation with the Group's operating units. The directors provide principles for overall risk management.

The reports on the risk management are produced periodically to the key management personnel of the Group.

(a) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is mainly exposed to credit risk from credit sales. It is Group policy, implemented locally, to assess the credit risk of new customers before entering contracts. Such credit ratings are taken into account by local business practices.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. For banks and financial institutions, the most suitable bank in the local territory is selected.

A significant amount of cash is held with the following institutions:

	2022*	2022	2021
	Rating	£'000	£'000
Cash at bank			
Barclays Bank plc	A+	436	737
Lloyds Bank plc	A+	725	4,274
Raiffeisen Bank AG	A-	3,496	3,903
NatWest group plc	A	57	14
Swedbank	A+	5,659	1,217
HSBC	A+	95	165
Bank of Transylvania	BB+	415	194
Unicredit Bulbank	A-	135	30
Hipotekarna Bank	N/a	260	222
Erste Bank	A+	252	187
Luminor Bank AB	N/a	322	114
Ebury	N/a	525	114
PKO Bank Polski	N/a	244	114
Other		505	399
Total		13,126	11,684

* Based on Standard & Poor Rating

(b) Market risk**(i) Price risk**

Certain aspects of the commercial terms relating to the Affinity division are, directly linked to the commodity costs of fuel purchased by their clients at roadside fuelling stations across Europe. As such there is a risk arising from price changes relating to the fuel prices offered at the respective fuelling stations. In order to manage this risk, the Group varies the way it charges its commissions.

The table below shows the sensitivity analysis to possible changes in fuel prices to which the Group is exposed at the end of each year, with all other variables remaining constant. This arises due to the commercial arrangements the Affinity division has with its clients, whereby it will generate income in the form of commissions based on the value of fuel purchased by its clients.

	2022	2021
	£'000	£'000
Petrol price risk effect on net profit sensitivity analysis:		
Price increased by 10%	271	166
Price decreased by 10%	(271)	(166)

The Group is exposed to the market risk with respect to its operating income which is subject to changes in performance, exchange fluctuations and other market influences both economic and political. The directors manage this risk by reviewing on a regular basis market fluctuation arising on the Group's activities.

(ii) Cash flow and fair value interest rate risk

As the Group has no significant interest-bearing assets, its income and operating cash flows are substantially independent of changes in market interest rates.

The risk associated with interest-bearing debts is mitigated by utilising a mix of fixed and variable interest rate loans, as well as a Confidential Invoice Discounting Facility ("CID").

	2022	2021
	£'000	£'000
Interest rate risk effect on net profit sensitivity analysis:		
Interest rates increased by 0.25%	(42)	(45)
Interest rates decreased by 0.25%	42	45

The Group's cash flow and fair value interest rate risk is periodically monitored by the directors. The cash flow and fair value risk policy is approved by the directors.

Receivables and trade and other payables are interest free and have settlement dates within one year.

A sensitivity analysis is normally based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and change in some of the assumptions may be correlated - for example, change in exchange rates and change in market values.

(iii) Foreign exchange risk

Foreign exchange risk arises because the Group has operations located in various parts of the world whose functional currency is not the same as the presentational currency of the Group. Foreign exchange risk also arises when individual companies enter transactions denominated in a currency other than their functional currency. Certain assets of the Group comprise amounts denominated in foreign currencies. Similarly, the Group has financial liabilities denominated in foreign currency. In general, the Group seeks to maintain the financial assets and financial liabilities in each of the foreign currencies at a reasonably comparable level, thereby providing a natural hedge against foreign exchange risk.

	GBP £'000	Euro £'000	RON £'000	MDL LEU £'000	BGN LEV £'000	RSD Dinar £'000	HUF Forints £'000	MKD Denar £'000	Total £'000
At 31 December 2022									
Financial assets	25,051	44,159	32,389	332	8,103	2,204	1	75	112,314
Financial liabilities	110,601	49,159	28,528	240	9,282	2,618	-	29	200,457
At 31 December 2021									
Financial assets	27,235	30,487	31,812	141	7,307	2,257	2	93	99,334
Financial liabilities	82,667	32,460	32,290	77	6,655	3,027	40	184	157,400

An analysis of the Group's exposure to foreign exchange risk, illustrating the impact on the net financial assets of a 10% movement in each of the key currencies to which the Group is exposed, is shown below

	2022	2021
	£'000	£'000
Foreign currency risk sensitivity analysis:		
Euro (EUR)		
Strengthened by 10%		(53)
Weakened by 10%	(430)	53
Romanian Lei (RON)		
Strengthened by 10%		386
Weakened by 10%	(386)	90
Moldavian Leu (MDL)		
Strengthened by 10%		9
Weakened by 10%	(9)	(7)
Serbian Dinar (RSD)		
Strengthened by 10%		(41)
Weakened by 10%	41	(38)
Bulgarian Lev (BGN)		
Strengthened by 10%		(188)
Weakened by 10%	188	(29)
Macedonian Denar (MKD)		
Strengthened by 10%		5
Weakened by 10%	(5)	8

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash flow for operations. The Group manages its risk to shortage of funds by monitoring forecast and actual cash flows.

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial investments and financial assets (e.g. trade receivables, other financial assets) and projected cash flows from operations.

	Up to 12 months £'000	Between 1 and 2 years £'000	Between 2 and 5 years £'000	Over 5 years £'000
At 31 December 2022				
Trade and other payables	87,436	273	-	-
Overdrafts, bank loans & invoice discounting	12,977	1,205	3,458	-
Lease liabilities	15,310	13,254	26,663	64,454
Total	115,723	14,732	30,121	64,454

	Up to 12 months £'000	Between 1 and 2 years £'000	Between 2 and 5 years £'000	Over 5 years £'000
At 31 December 2021				
Trade and other payables	80,886	343	-	-
Bank loans & invoice discounting	16,493	-	-	-
Lease liabilities	9,053	8,528	13,852	28,245
Total	106,432	8,871	13,852	28,245

22. CALLED UP SHARE CAPITAL

2022 2021 2021 2021

	2022	2022	2021	2021
	Number	£'000	Number	£'000
Ordinary Shares of £0.05 each				
At the beginning of the year	141,688,425	7,084	141,633,175	7,082
Issued during the year	-	-	55,250	2
At the end of the year	141,688,425	7,084	141,688,425	7,084
Deferred Shares of £1.00 each	50,000	50	50,000	50
Total shares at the end of the year	141,738,425	7,134	141,738,425	7,134

Shares Issued

On 8 July 2021, SP Angel exercised their option to subscribe for 55,250 Ordinary Shares at the price of £0.24 per share.

23. RESERVE DESCRIPTION AND PURPOSE

Share premium is the amount subscribed for share capital in excess of nominal value.

Equity reserve represents the cost of the share options granted that have not yet been exercised.

Translation reserve represents the difference arising on the translation of the net assets and results of subsidiaries into the presentation currency.

Merger reserve represents the difference between the nominal value of consideration paid for shares acquired in entities under common control and the nominal value of those shares. This arises as a result of the business combination falling outside the scope of IFRS 3 and merger accounting being applied in place of acquisition accounting. In addition, the premium on the fair value in excess of the nominal value of shares issued in consideration of business combinations is credited to the merger reserve.

Retained earnings represents all other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.

24. SHARE-BASED PAYMENTS

The Company has granted Directors and key management share option plans. These are unapproved schemes so they do not satisfy the requirements of schedule 4, ITEPA. A summary of the options plans at 31 December is shown below. All options will vest within one to four years.

Name	Share Option	Option Price	Vesting Period	Expiry Date
	No	£		
LTIP	-	0.05	March 2022	March 2025
CSOP	2,426,966	0.49	December 2023	February 2024
Total	2,426,966			

On 5 February 2021, the Group launched a new Company Share Option Plan ("CSOP") to certain employees. The award value is between £5,000 - £30,000 (depending on seniority within the business) divided by closing share price on the day before grant of CSOP options with an exercise price equivalent to 110% of the closing share price on the day before grant. These options vest three years from the award date and are subject to meeting a performance criteria of an average earnings per share (EPS) growth of 10% per annum, from 1 January 2021 to 31 December 2023.

On 3 March 2021, the company awarded 2,430,291 to Robert Ross and Mike Williamson under a long term investment plan (LTIP). Both employees have since left the company and the options have lapsed.

Options will normally lapse on cessation of employment. However, exercise is permitted for a limited period following cessation of employment for specified reasons, such as redundancy, retirement, ill-health, and, in other circumstances, at the discretion of the Remuneration Committee.

The movements in share options are as follows:

	2022	2021
	No	No
At 1 January	2,986,111	55,250
Share options exercised during the year	-	(55,250)
Share options granted during the year	449,438	5,598,830
Share options lapsed during the year	(1,008,583)	(2,612,719)
At 31 December	2,426,966	2,986,111
Weighted average share price of options	£0.49	£0.45
Weighted average grant fair value	£0.11	£0.13
Weighted average contractual life	12 months	25 months
Exercise price	£0.49	£0.45

The weighted average grant fair value at the year was 2022 £0.11 (2021: £0.13) per option. The outstanding options have a weighted average contractual life of 24 months (2021: 25 months), and exercise price between £0.15 and £0.49 (2021: between £0.05 and £0.49).

Options were valued using the Black-Scholes option pricing model. No performance conditions were included in the fair value calculations. Expected dividends are not incorporated into the fair value calculations. The fair value per option granted and the assumptions used in the calculations are as follows:

	2022	2021
Risk free investment	2.30%	2.15%
Expected life	12 Months	25 Months
Expected volatility	37.07%	39.56%

The Group recognised a total credit of £108,000 (2021: charge of £107,000) relating to equity-settled share-based payments in light of recent share prices of the Company.

25. LEASES

The Group as a lessee

The Group's leases consist primarily of property premises and equipment and is presented below:

Right-of-use assets

Group	Property	Equipment	Total
	Premises	£'000	
COST			
At 1 January 2022	68,315	7,658	75,973
Additions	35,479	11,424	46,903
Disposals	(1,291)	(535)	(1,826)
Exchange differences	803	137	940
At 31 December 2022	103,306	18,684	121,990
DEPRECIATION			
At 1 January 2022	16,164	1,488	17,652
Charge for the year	9,394	3,055	12,449
Eliminated on disposal	(1,284)	(437)	(1,721)
Exchange differences	283	24	307
At 31 December 2022	24,557	4,130	28,687
NET BOOK VALUE			
At 31 December 2022	78,749	14,554	93,303
At 31 December 2021	52,151	6,170	58,321

Property
Premises Equipment Total

Group	£'000	£'000	£'000
COST			
At 1 January 2021	41,378	2,247	43,625
Additions	32,426	6,010	38,436
Disposals	(4,461)	(570)	(5,031)
Exchange differences	(1,028)	(29)	(1,057)
At 31 December 2021	68,315	7,658	75,973
DEPRECIATION			
At 1 January 2021	11,223	803	12,026
Charge for the year	7,379	1,204	8,583
Eliminated on disposal	(2,223)	(506)	(2,729)
Exchange differences	(215)	(13)	(228)
At 31 December 2021	16,164	1,488	17,652
NET BOOK VALUE			
At 31 December 2021	52,151	6,170	58,321
At 31 December 2020	30,155	1,444	31,599

Lease liabilities included in the consolidated statement of financial position

	2022 £'000	2021 £'000
Current	12,287	9,053
Non-Current	83,765	50,625
Total	96,052	59,678

Amount recognised in the consolidated income statement

	2022 £'000	2021 £'000
Depreciation on right-of-use property premises	9,394	7,379
Depreciation charged on other right-of-use assets	3,055	1,204
Interest on lease liabilities	2,161	1,637
Total	14,610	10,220

The total cash outflow for leases during the current year was £14,023,000 (2021: £9,347,000). Further lease disclosures are in note 29.

26. RELATED PARTY TRANSACTIONS

During the year Group companies entered into the following transactions with related parties who are not members of the Group.

	Sales		Purchases		Amounts owed by		Amounts owed to	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Related Party								
Delamode Holding BV	114	-	-	-	-	-	-	116
Delamode Propretati, Srl	-	-	-	4	-	-	-	-
Cogels Investment BV	-	1	-	-	-	-	-	-
EshopweDrop Baltics	199	-	-	-	72	-	-	-
EshopweDrop Romania	17	-	-	-	2	-	-	-
EshopweDrop Holdings	-	-	-	-	3	-	-	-
Franchisees								
Delamode (SW) Limited	410	215	29	-	58	25	8	-
Delamode Latvia SA	485	-	189	-	67	-	22	-
Companies in which directors or their immediate family have a significant controlling interest								
Board Mentoring Limited	-	-	128	-	-	-	65	-
Sebastian Associates Limited	-	-	230	-	-	-	72	-

Delamode Holding BV, is indirectly owned by Shaun Godfrey, Sandu Grigore, and Cogels Investments Limited all of whom are shareholders of Xpediator Plc.

Delamode Propertati Srl, a Company owned by Delamode Holding BV, is the landlord of one of the Group's leasehold properties in Romania. Rent payable under the current lease is at market rates. Shaun Godfrey, Sandu Grigore and Cogels Investment Limited are shareholders of Xpediator Plc.

Cogels Investment BV is a Company owned by Stephen Blyth, a director of Cogels Investments Limited who are a shareholder of Xpediator Plc.

EshopweDrop Baltics, EshopweDrop Romania and EshopweDrop Holdings are all entities partly owned by Stephen Blyth, a director of Cogels Investments Limited who are a shareholder of Xpediator Plc.

Delamode (SW) Limited ("DSW") is a franchisee of the Group. In 2018, Delamode Holdings Limited entered into a franchise agreement with DSW, with Shaun Godfrey acting as a Director for both companies. The Group provides certain administrative functions on behalf of DSW and charges a fee at an agreed rate and under the franchise agreement is entitled to a share of the profits.

Delamode Latvia SA is a new franchisee of the Group. During 2022, Delamode Baltics UAB entered into a franchise agreement with Delamode Latvia SA.

Details of directors' remuneration and the remuneration of key management personnel are given in note 6.

All related party transactions were made at an arm's length basis.

27. EXCEPTIONAL ITEMS

During the year, the Group incurred non-recurring costs totalling £483,000 (2021: £2,610,000)

An analysis by type of expense is show below.

	2022 £'000	2021 £'000
Relocation costs	-	1,654
Compensation for loss of office and associated recruitment costs	143	539
Financing negotiation fees	-	116
Costs associated with offer received for share capital of Xpediator plc	148	-
Redundancy and restructuring	40	-
Aborted acquisition costs	152	301
Total	483	2,610

28. SUBSEQUENT EVENTS

On 4 May 2023, the Board recommended an Offer from DLM Bidco Limited (a newly incorporated entity indirectly owned by a consortium including the Company's largest shareholder, Cogels Investments Limited ("Cogels"), the investment vehicle of close family members of Stephen Blyth (former CEO of Xpediator), funds managed by Baltcap, one of the largest private equity investors in the Baltic states, and Justas Versnickas, the Managing Director of, and 20% shareholder in, Delamode Baltics UAB, a subsidiary of Xpediator Plc (together the "Consortium") to acquire the entire issued, and to be issued, share capital of the Company. The Offer is for 42p per share and a special dividend of 2p per share and values the Company at approximately £62.3m. Shareholder meetings will be held on 7 June 2023 at which eligible shareholders will vote on the proposed Offer.

On 5 April 2023, Xpediator and the Consortium referred to above, entered into a co-operation agreement in relation to the Offer (the "Co-operation Agreement"). Under the terms of the Co-operation Agreement, the parties agreed, amongst other things, that a cash award be made to Richard Myson, Xpediator's CFO, in lieu of his entitlement to receive an award under the Xpediator LTIP ("Cash Award"). The maximum cash amount payable pursuant to the Cash Award will be calculated as 346,391 Xpediator Shares multiplied by the Cash Offer per Xpediator Share. The Cash Award will vest and become payable on the Effective Date of the Offer.

29. NATURE OF LEASES

The Group leases a number of properties in the jurisdictions from which it operates. In some jurisdictions it is customary for lease contracts to provide for payments to increase each year by inflation or and in others to be reset periodically to market rental rates. In some jurisdiction's property leases the periodic rent is fixed over the lease term.

The Group also leases certain items of plant and equipment. In some contracts for services with distributors, those contracts contain a lease of vehicles. Leases of plant, equipment and vehicles comprise only fixed payments over the lease terms.

The percentages in the table below reflect the current proportions of lease payments that are either fixed or variable.

The sensitivity reflects the impact on the carrying amount of lease liabilities and right-of-use assets if there was an uplift of 1% on the statement of financial position date to lease payments that are variable.

	Lease Contract Number	Fixed Payments %	Variable Payments %	Sensitivity £'000
Property leases with payments linked to inflation	3	-	1%	605
Property leases with fixed payments	37	12%	-	-
Leases of plant & equipment	165	55%	-	-
Vehicle leases	96	32%	-	-
Total	301	99%	1%	605

30. ANALYSIS OF CHANGES IN NET DEBT

Group	At 31 December 2021 £'000	Cashflow £'000	Foreign exchange £'000	Right-of-use-asset additions £'000	Right-of-use asset disposals £'000	Non-cash interest charge right-of-use assets £'000	Other non-cash movements £'000	At 31 December 2022 £'000
Cash at bank	11,684	(65)	1,507	-	-	-	-	13,126
Short term deposits	-	-	-	-	-	-	-	-
Total cash	11,684	(65)	1,507	-	-	-	-	13,126

Overdrafts	-	879	-	-	-	-	-	879
Confidential invoice discounting facility	14,602	(3,780)	-	-	-	-	-	10,822
Bank loans	1,891	3,104	-	-	-	-	-	4,995
Right-of-use-assets	59,678	(14,023)	648	46,903	(94)	2,243	697	96,052
Total debt	76,171	(13,820)	648	46,903	(94)	2,243	697	112,748
Net debt	(64,487)							(99,622)
Net debt excluding right-of-use assets	(4,809)							(3,570)

Group	At 31 December 2020 £'000	Cashflow £'000	Foreign exchange £'000	Right-of-use-asset additions £'000	Right-of-use asset disposals £'000	Non-cash interest charge right-of-use assets £'000	Other non-cash movements £'000	At 31 December 2021 £'000
Cash at bank	10,963	1,793	(1,072)	-	-	-	-	11,684
Short term deposits	1,757	(1,757)	-	-	-	-	-	-
Total cash	12,720	36	(1,072)	-	-	-	-	11,684
Confidential invoice discounting facility	3,732	10,870	-	-	-	-	-	14,602
Bank loans	2,230	(339)	-	-	-	-	-	1,891
Right-of-use-assets	32,240	(9,346)	(842)	38,436	(2,447)	1,637	-	59,678
Total debt	38,202	1,185	(842)	38,436	(2,447)	1,637	-	76,171
Net debt	(25,482)							(64,487)
Net cash/(debt) excluding right-of-use assets	6,758							(4,809)

Non-cash items relate to right-of-use-assets accounting under IFRS16, which the directors consider would misrepresent the net cash/(debt) position of the Group. Further details on right-of-use-assets / leases can be found in note 25 to these Consolidated financial statements.

Reconciliation of net cash flow to movement in net debt

	2022 £'000	2021 £'000
Net (decrease)/increase in cash and cash equivalents	(944)	36
Net increase in borrowings and right-of-use assets	(35,050)	(38,811)
Foreign exchange movements	859	(230)
Increase in net debt	(35,135)	(39,005)
Opening net debt	(64,487)	(25,482)
Closing net debt	(99,622)	(64,487)

COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Notes	2022 £'000	2021 £'000
ASSETS			
NON-CURRENT ASSET			
Intangible assets	3	236	418
Property, plant and equipment	4	127	217
Investments	5	54,866	63,668
Deferred Tax		640	640
		55,869	64,943
CURRENT ASSETS			
Trade and other receivables	6	9,254	10,441
Cash and cash equivalents		271	59

		9,525	10,500
TOTAL ASSETS		65,394	75,443
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	9	7,134	7,134
Share premium	10	13,149	13,149
Equity reserve	10	-	108
Merger reserve	10	24,694	24,694
Retained earnings	10	749	3,366
TOTAL EQUITY		45,726	48,451
LIABILITIES			
NON-CURRENT LIABILITIES			
Interest bearing loans and borrowings	8	4,083	-
		4,083	-
CURRENT LIABILITIES			
Interest bearing loans and borrowings	8	912	-
Trade and other payables	7	14,673	26,992
		15,585	26,992
TOTAL LIABILITIES		19,668	26,992
TOTAL EQUITY AND LIABILITIES		65,394	75,443

The Company made a loss in the year of £1,766,000 (2021: profit of £2,715,000).

Richard Myson
CFO

22 May 2022

COMPANY STATEMENT OF CHANGES IN EQUITY

FORTHE YEAR ENDED 31 DECEMBER 2022

	Share capital £'000	Share premium £'000	Equity reserve £'000	Merger reserve £'000	Retained earnings £'000	Total £'000
At 1 January 2022	7,134	13,149	108	24,694	3,366	48,451
Contribution by and distribution to owners						
Dividends paid	-	-	-	-	(851)	(851)
Share options credit	-	-	(108)	-	-	(108)
Total contributions by and distribution to owners	7,134	13,149	-	24,694	2,515	47,492
Loss for the year	-	-	-	-	(1,766)	(1,766)
At 31 December 2022	7,134	13,149	-	24,694	749	45,726
	Share capital £'000	Share premium £'000	Equity reserve £'000	Merger reserve £'000	Retained earnings £'000	Total £'000
At 1 January 2021	7,132	13,139	1	24,694	2,848	47,814
Contribution by and distribution to owners						
Dividends paid	-	-	-	-	(2,197)	(2,197)
Share options granted	-	-	107	-	-	107
Share options exercised	2	10	-	-	-	12
Total contributions by and distribution to owners	7,134	13,149	108	24,694	651	45,736
Profit for the year	-	-	-	-	2,715	2,715
At 31 December 2021	7,134	13,149	108	24,694	3,366	48,451

NOTES TO THE COMPANY FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1. ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 "Reduced Disclosure Framework":

- the requirements of paragraphs 45(b) and 46 to 52 of IFRS 2 Share-based Payment;
- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations;
- the requirements of paragraph 33(c) of IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement;
- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D and 111 of IAS 1 Presentation of Financial Statements;
- the requirements of paragraphs 134 to 136 of IAS 1 Presentation of Financial Statements;

- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a Group;
- the requirements of paragraphs 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairments of Assets.

Merger accounting

On 25 May 2017 the Company entered into a share swap agreement with the ultimate beneficiaries of Delamode Group Holdings Limited, whereby 4,000,000 new ordinary shares of £1.00 each were issued to the ultimate beneficiaries of Delamode Group Holdings Limited in exchange for their shares in Delamode Group Holdings Limited in the same proportion as their shareholding in Delamode Group Holdings Limited. The merger method of accounting is used to consolidate the results of Xpediator Plc.

Where merger relief is applicable, the cost of the investment is recorded at the fair value on the date of the transaction at below. The difference between the fair value of the investment and the nominal value of the shares (plus the fair value of any other consideration given) is shown as a merger relief reserve and no share premium is recognised.

On 8 June 2018, the Company issued 1,727,694 new ordinary shares of £0.05 each as part of the deferred consideration of Easy Managed Transport Limited. On 13 July 2018, the Company issued 3,740,648 new ordinary shares of £0.05 each as part of the acquisition of Import Services Limited. On 31 December 2018, the Company issued 84,951 new ordinary shares of £0.05 each as part of the deferred consideration of Regional Express Limited. On 16 May 2019, the Company issued 1,655,876 shares to the former owners of Easy Managed Transport Limited as part of the final payment of the deferred consideration of Easy Managed Transport Limited. On 5 December 2019, the Company issued 89,744 new ordinary shares of £0.05 each as part of the final deferred consideration of Regional Express Limited.

Going concern

The directors have concluded that it is appropriate that the financial statements have been prepared on a going concern basis given the cash balances as at 31 December 2022, and funding facilities in place across the Group, which it does not envisage will be withdrawn thus there are sufficient funds available to meet its liabilities as they fall due for a period of not less than 12 months from the date of approval of the financial statements. The directors believe that based on the current budgets and forecast cash flows, there is sufficient resources to meet its liabilities as they fall due. The financial statements have therefore been prepared on a going concern basis.

However, on 4 May 2023, the Board recommended an Offer from DLM Bidco Limited (a newly incorporated entity indirectly owned by a consortium including the Company's largest shareholder, Cogels Investments Limited, the investment vehicle of close family members of Stephen Blyth (former CEO of Xpediator), funds managed by Baltcap, one of the largest private equity investors in the Baltic states, and Justas Versnickas, the Managing Director of, and 20% shareholder in, Delamode Baltics UAB, a subsidiary of Xpediator Plc to acquire the entire issued, and to be issued, share capital of the Company, which may complete within the next 12 months. Details of the Offer are available on our investor website (<https://xpediator.com/offer-for-xpediator>)

Whilst completion of the Offer is subject to approval by eligible shareholders at the shareholder meetings scheduled for 7 June 2023 and sanction by the High Court of Justice in England and Wales, the Group and Company continues to operate autonomously with the assumption that trading will continue post-acquisition as modelled in the detailed forecasts, without adjustments to reflect any incremental costs or expected benefits should the acquisition go ahead. As the directors do not have visibility over the future intentions of the potential acquirer, there can be no certainty over the nature of the continuing operations of the Group and Company should the acquisition proceed successfully. This gives rise to a material uncertainty, as defined in auditing and accounting standards, related to events or conditions that may cast significant doubt on the Group and the Company's ability to continue as a going concern and in such circumstances, the Group and the Company may therefore be unable to realise its assets and discharge its liabilities in the normal course of business.

Intangible assets

Externally acquired intangible assets, are initially recognised at cost and subsequently amortised on a straight-line basis over their useful economic lives.

The significant intangibles recognised by the Company, their useful economic lives and the methods used to determine the cost of intangibles are as follows

Licences and Software	-	25%-33% straight line
-----------------------	---	-----------------------

Property, Plant & Equipment

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.

Computer Equipment	-	20%-33% straight line
Fixture & Fittings	-	20%-33% straight line
Leasehold Improvements	-	33% straight line

Fixed assets are stated at cost less depreciation and provision for impairment.

Taxation

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the reporting date.

Foreign currencies

The financial statements of the Company are presented in its reporting currency of Sterling. The functional currency of the Company is the UK Sterling.

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Any gains or losses arising from these conversions are credited or charged to the Income Statement.

Employee benefit costs

The Company operates a defined contribution pension scheme on behalf of employees in the UK in accordance with auto enrolment legislation. Contributions payable to the company's pension scheme are charged to the income statement in the period to which they relate.

Investments

Investments in subsidiaries are at cost less any provision for impairment. The Company assesses investments for impairment whenever events or changes in circumstances indicate that the carrying value of an investment may not be recoverable. If any such indication of impairment exists, the Company makes an estimate of the recoverable amount of the investment. If the recoverable amount is less than the value of the investment, the investment is considered to be impaired and is written down to its recoverable amount. An impairment loss is expensed immediately; if the impairment is not considered to be a permanent diminution in value, it may reverse in a future period to the extent it is no longer considered necessary.

Other financial assets

Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the contractual terms of the cash flows.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried

at FVPL are expensed in profit or loss. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Impairment

The Company assesses, on a forward-looking basis, the expected credit losses associated with its debt instruments carried at amortised cost and fair value through other comprehensive income (FVOCI). The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Trade, Intercompany and other receivables

The Company assesses on a forward-looking basis the expected credit loss associated with its receivables carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Company applies the simplified approach permitted by IFRS 9, resulting in trade receivables recognised and carried at original invoice amount less an allowance for any uncollectible amounts based on expected credit losses.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Financial liabilities

The Company classifies its financial liabilities into two categories:

Other financial liabilities

The Company's other financial liabilities include bank loans, confidential invoice discounting facility, trade and other payables and accruals. Bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest-bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the consolidated statement of financial position. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

Fair value through profit and loss

This category only comprises of the element of deferred consideration on business combinations, which is contingent on the performance of the acquired businesses. The expected consideration payable is assessed at each reporting date with the movement in the expected liability being recorded in the income statement.

Share-based payments

The Company operates equity-settled share-based options plans. The fair value of the employee services received in exchange for the participation in the plan is recognised as an expense in the profit and loss account. The corresponding credit has been recognised in the profit and loss account reserve.

The fair value of the employee is based on the fair value of the equity instrument granted. This expense is spread over the vesting period of the instrument.

1.1 Critical accounting estimates and judgements

Impairment of Fixed Asset Investments

The Company makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

Impairment tests on investments are undertaken annually in November as part of the Company's budgeting process, except in the year of acquisition when they are tested at the year-end.

In preparing these financial statements, the key estimates relate to:

The determination of the carrying value of the Company's investments in its subsidiary undertakings. During the year, the directors undertook an impairment assessment in line with the accounting policy. The directors recognised an impairment of £8,802,000 with respect to the Company's investment in the UK Freight Forwarding business which had been determined by reference to the recoverable value calculated in determining the impairment of goodwill, as set out in note 12 to the Group financial statements. Further details can be found in note 5 to the Company's financial statements.

2. STAFF COSTS

Compensation consists of 2 executive Directors, 3 non-executive Directors and 57 other employees (2021: 2 executive Directors, 4 non-executive Directors and 70 other employees).

	2022	2021
	£'000	£'000
Employee benefit expenses (including directors) comprise:		
Salaries	4,158	4,176
Short-term non-monetary benefits	26	27
Share based payments (credit)/charge	(108)	108
Social security contributions and similar taxes	553	463
Defined contribution pension cost	71	71
Total	4,700	4,845

3. INTANGIBLE ASSETS

COST

	Licences & Software £'000
At 1 January 2022	750
Additions	21
At 31 December 2022	771

AMORTISATION

	Licences & Software £'000
At 1 January 2022	332
Charge for the year	203
At 31 December 2022	535

NET BOOK VALUE

	Licences & Software £'000
At 31 December 2022	236
At 1 January 2022	418

4. PROPERTY, PLANT & EQUIPMENT

Leasehold Fixture & Computer

	Improvements £'000	Fittings £'000	Equipment £'000	Total £'000
COST				
At 1 January 2022	49	16	420	485
Additions	-	-	19	19
At 31 December 2022	49	16	439	504
DEPRECIATION				
At 1 January 2022	42	14	212	268
Charge for the year	7	2	100	109
At 31 December 2022	49	16	312	377
NET BOOK VALUE				
At 31 December 2022	-	-	127	127
At 1 January 2022	7	2	208	217

5. FIXED ASSET INVESTMENTS

	Subsidiary Undertakings £'000
At 1 January 2022	63,668
Additions during the year	-
Impairments	(8,802)
At 31 December 2022	54,866

Impairment

The carrying amount of investments has been reduced to its recoverable value through recognition of an impairment loss. There were impairments recognised during the year of £8,802,000 (2021: £nil). In addition, there were no impairment reversals in 2022 (2021: £nil). The recoverable value was calculated using a value in use calculation based on the estimates set out in note 12 of the Group financial statements.

6. TRADE AND OTHER RECEIVABLES

	2022 £'000	2021 £'000
Current:		
Trade receivables	3	20
Amounts owed from group undertakings	7,688	8,153
Contract assets	159	-
Prepayments	100	144
Other receivables	1,304	2,124
Total trade and other receivables	9,254	10,441

7. TRADE AND OTHER PAYABLES

	2022 £'000	2021 £'000
Current:		
Trade payables	1,153	1,157
Amounts owed to group undertakings	12,392	24,173
Other taxes and social security	108	308
Accruals and deferred income	1,020	1,354
Total trade and other payables	14,673	26,992

8. BANK AND OTHER LOANS

	2022 £'000	2021 £'000
Current:		
Bank loans	912	-
	912	-
Non-current:		
Loans - 1-2 years	913	-
Loans - 2-5 years	3,170	-
Loans due after 5 years repayable by instalments	-	-
	4,083	-

During the year the Company received a loan facility from Investec bank, on which interest is payable at a variable rate of 4.5% above the Bank of England base rate and is repayable by April 2026.

The book value and fair value of loans and borrowings are as follows:

	2022 £'000	2021 £'000
Non-Current		
Bank borrowings and others		
- Secured	4,083	-
Current		
Bank borrowings and others		
- Secured	912	-
Total loans and borrowings	4,995	-
Sterling	4,995	-

9. SHARE CAPITAL

See consolidated financial statements note 22 for share capital section.

10. RESERVES

Share premium is the amount subscribed for share capital in excess of nominal value.

Equity reserve represents the cost of the share options granted that have not yet been exercised.

Merger reserve represents the difference between the net asset value of Delamode Group Holdings Limited and the nominal value of the shares issued by Xpediator Plc in consideration for the acquisition of Delamode Group Holdings Limited. In addition, the premium on the fair value in excess of the nominal value of shares issued in consideration for business combinations is credited to the merger reserve.

Retained earnings represents all other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.

11. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the disclosure of related party transactions with wholly owned fellow Group companies. Related party transactions with key management personnel (including Directors) are shown in note 26 of the consolidated financial statements.

12. SHARED-BASED PAYMENTS

Share-based payments arrangements for employees are set out in the Directors' Report (Remuneration note). Details of the share options in existence are shown in note 24 of the consolidated financial statements.

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact rns@lse.com or visit www.rns.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

FR DBGDUGXDDGXD