

Financial Statements Groupe Samat UK Limited

For the Year Ended 31 December 2015



Registered number: 01480293

Company Information

Directors

A Laffont
F Dupasquier
S J Reid

Company secretary

A Laffont

Registered number

01480293

Registered office

Unit 5, Centre 27 Business Park
Bankwood Way
Birstall
Batley
West Yorkshire
WF17 9TB

Independent auditor

Grant Thornton UK LLP
Chartered Accountants & Statutory Auditor
No 1 Whitehall Riverside
Leeds
West Yorkshire
LS1 4BN

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Directors' Report

For the Year Ended 31 December 2015

The directors present their report and the financial statements for the year ended 31 December 2015.

Directors' responsibilities statement

The directors are responsible for preparing the Directors' report, the Strategic report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Results and dividends

The loss for the year, after taxation, amounted to £167,816 (2014 - profit £146,660).

The directors have not declared a dividend in respect of the year ended 31 December 2015 (2014: £120,000).

Directors

The directors who served during the year were:

A Laffont
F Dupasquier
S J Reid

Disclosure of information to auditor

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

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

Groupe Samat UK Limited

Directors' Report

For the Year Ended 31 December 2015

Post balance sheet events

There have been no significant events affecting the company since the year end.

Auditor

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

This report was approved by the board on 13 June 2016 and signed on its behalf.



S J Reid
Director

Strategic Report

For the Year Ended 31 December 2015

Introduction

Groupe Samat UK Limited endured a very difficult year in 2015, as the market proved to be very challenging. Customer volumes were more erratic causing issues with resourcing and vehicle utilisation. We faced a particularly difficult time during the 4th quarter of 2015.

Some changes to the Management team that have occurred during 2015 will make improvements in the management of the business for the future.

Business review

The company faced many challenges in 2015 and several factors provided additional challenges to the Management of the company: we were faced with workforce issues that we have previously not experienced so acutely. We faced a growing demand from the driving workforce for improvements to pay and conditions, and we also suffered high levels of absenteeism in the driving workforce in the business.

The utilisation of the company's assets was noticeably less than in previous years, partly attributable to higher levels of absenteeism but also due to some difficulty faced in recruitment of replacement drivers during the first half of the year in particular.

We continued our investment in 2015 increasing it from the previous 3 years both for replacement and for growth and we will continue to invest in our personnel, equipment, quality systems, customer service and our market position in a very competitive industry which will improve future business returns.

The market for the company's services continues to be very difficult with a continued reduction in the size of the UK marketplace. Combined with intense pressure from the market these factors may continue to put pressure on operating margins of the company. The industry has however seen considerable acquisition activity delivering some consolidation within our specific market sector.

We have continued to improve the quality and operational capability and professionalism of the business. The company is now in a strong position for continued growth in turnover and profitability.

Financial risk management objectives and policies

The company uses financial instruments, other than derivatives, comprising borrowings, cash and other liquid resources and various other items such as trade debtors and creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations. The main risks arising from the company's financial instruments are interest rate risk, liquidity risk and currency risk. The directors review and agree policies for managing each of these risks and they are summarised below. The policies have remained unchanged from previous periods.

Interest rate risk

Groupe Samat UK Limited finances its operations through a mixture of retained profits, inter-company accounts and lease arrangements. Hire purchase contracts are for fixed finance charges.

Liquidity risk

Groupe Samat UK Limited seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

Currency risk

Groupe Samat UK Limited is exposed to transaction and translation foreign exchange risk. In relation to translation risk, the proportion of assets held in the foreign currency is matched to an appropriate level of liabilities in the same currency. Transaction exposures are limited in the company.


Strategic report (continued)

Financial key performance indicators

The directors use many KPI's both financial and non-financial to monitor the company's position. Turnover, Gross Profit Margin and Strict Cost Monitoring are fundamental to the analysis of growth and future development.

The company has added a variety of indexes for cost control and service measurement within the Corporate Excellence Project.

This report was approved by the board on 13 June 2016 and signed on its behalf.



S. J. Reid,
Director

Independent Auditor's Report to the Members of Groupe Samat UK Limited

We have audited the financial statements of Groupe Samat UK Limited for the year ended 31 December 2015, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity, the Statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland.'

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' responsibilities statement on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report and the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.



Independent Auditor's Report to the Members of Groupe Samat UK Limited

Matters on which we are required to report by exception

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

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

Grant Thornton UK LLP

Richard Hobson (Senior statutory auditor)
for and on behalf of
Grant Thornton UK LLP
Statutory Auditor
Chartered Accountants
Leeds

13 June 2016

Statement of Comprehensive Income

For the Year Ended 31 December 2015

	Note	2015 £	2014 £
Turnover	4	8,428,674	8,548,779
Cost of sales		<u>(7,567,584)</u>	<u>(7,295,013)</u>
Gross profit		861,090	1,253,766
Administrative expenses		(1,024,246)	(1,095,467)
Profit on disposal of tangible fixed assets		53,491	38,413
Other operating income		<u>3,118</u>	<u>2,882</u>
Operating (loss)/profit		(106,547)	199,594
Interest receivable	10	2,595	3,470
Interest payable	11	<u>(63,864)</u>	<u>(56,404)</u>
(Loss)/profit on ordinary activities before taxation		(167,816)	146,660
Taxation on (loss)/profit on ordinary activities	12	<u>-</u>	<u>-</u>
(Loss)/profit for the financial year		<u>(167,816)</u>	<u>146,660</u>
Other comprehensive income for the year			
Total comprehensive income for the year		<u>(167,816)</u>	<u>146,660</u>

The notes on pages 11 to 26 form part of these financial statements.

Statement of Financial Position

As at 31 December 2015

	Note	2015 £	2014 £
Fixed assets			
Tangible assets	15	2,291,825	2,189,158
Investments	16	700,780	700,780
		<u>2,992,605</u>	<u>2,889,938</u>
Current assets			
Stocks	17	8,461	8,461
Debtors: amounts falling due within one year	18	1,779,338	1,666,100
Cash at bank and in hand	19	519,366	418,976
		<u>2,307,165</u>	<u>2,093,537</u>
Creditors: amounts falling due within one year	20	(2,498,843)	(2,158,202)
Net current assets		<u>(191,678)</u>	<u>(64,665)</u>
Total assets less current liabilities		<u>2,800,927</u>	<u>2,825,273</u>
Creditors: amounts falling due after more than one year	21	(1,363,612)	(1,212,050)
Provisions for liabilities			
Other provisions	24	(40,851)	(48,943)
		<u>(40,851)</u>	<u>(48,943)</u>
Net assets		<u><u>1,396,464</u></u>	<u><u>1,564,280</u></u>
Capital and reserves			
Called up share capital	26	500,000	500,000
Share premium account	25	200,002	200,002
Profit and loss account	25	696,462	864,278
		<u><u>1,396,464</u></u>	<u><u>1,564,280</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 13 June 2016.

 J Reid
Director

The notes on pages 11 to 26 form part of these financial statements.

Statement of Changes in Equity

As at 31 December 2015

	Share capital	Share premium	Retained earnings	Total equity
	£	£	£	£
At 1 January 2015	500,000	200,002	864,278	1,564,280
Comprehensive income for the year				
Loss for the year	-	-	(167,816)	(167,816)
Total comprehensive income for the year	-	-	(167,816)	(167,816)
Total transactions with owners	-	-	-	-
At 31 December 2015	500,000	200,002	696,462	1,396,464

Statement of Changes in Equity

As at 31 December 2014

	Share capital	Share premium	Retained earnings	Total equity
	£	£	£	£
At 1 January 2014	500,000	200,002	837,618	1,537,620
Comprehensive income for the year				
Profit for the year	-	-	146,660	146,660
Total comprehensive income for the year	-	-	146,660	146,660
Contributions by and distributions to owners				
Dividends: Equity capital	-	-	(120,000)	(120,000)
Total transactions with owners	-	-	(120,000)	(120,000)
At 31 December 2014	500,000	200,002	864,278	1,564,280

The notes on pages 11 to 26 form part of these financial statements.

Statement of Cash Flows

For the Year Ended 31 December 2015

	2015 £	2014 £
Cash flows from operating activities		
(Loss)/profit for the financial year	(167,816)	146,660
Adjustments for:		
Depreciation of tangible fixed assets	653,089	627,027
Profit on disposal of tangible fixed assets	(53,491)	(38,413)
Interest paid	63,864	56,404
Interest received	(2,595)	(3,470)
Increase in debtors	(113,238)	79,746
Increase in creditors	221,254	(139,953)
Decrease in provisions	(8,092)	(11,774)
Corporation tax	-	(110)
Net cash generated from operating activities	592,975	716,117
Cash flows from investing activities		
Purchase of tangible fixed assets	(777,183)	(989,651)
Sale of tangible fixed assets	74,918	71,452
Interest received	2,595	3,470
Net cash from investing activities	(699,670)	(914,729)
Cash flows from financing activities		
New finance leases	270,949	387,964
Dividends paid	-	(120,000)
Interest paid	(63,864)	(56,404)
Net cash used in financing activities	207,085	211,560
Net increase in cash and cash equivalents	100,390	12,948
Cash and cash equivalents at beginning of year	418,976	406,028
Cash and cash equivalents at the end of year	519,366	418,976
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	519,366	418,976

The notes on pages 11 to 26 form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 December 2015

1. Company Information

The company is a limited company registered in England and Wales. The registered office is Unit 5, Centre 27 Business Park, Bankwood Way, Birstall, Batley, West Yorkshire, WF17 9TB. The principal activity of the company is freight transport by road.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical costs convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland, and the Companies Act 2006. The date of transition to FRS102 was 1 January 2014. The previous financial statements to 31 December 2014 were prepared under United Kingdom Generally Accepted Accounting Practice (UK GAAP).

The presentational and functional currency is GBP.

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

The financial statements contain information about Groupe Samat UK Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company has taken the option under Section 402 of the Companies Act 2006 not to prepare consolidated financial statements.

The following principal accounting policies have been applied:

2.2 Going concern

The company meets its day to day working capital requirements from its own cash resources and an overdraft facility where required. The current economic conditions may create uncertainty, particularly over the level of demand for the company's services and the availability of finance in the foreseeable future.

The company's cash flow projections, taking into account reasonably possible changes in trading performance show that the company should be able to operate within currently available funding. The company has received group support for 12 months following the approval of the financial statements. No matters have been drawn to the company's attention that suggest that current funding arrangements will be withdrawn in the near future.

Accordingly, after making due enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and have therefore continued to adopt the going concern basis in preparing these financial statements.

Notes to the Financial Statements

For the Year Ended 31 December 2015

2. Accounting policies (continued)

2.3 Revenue

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

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

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

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably, and;
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Tangible fixed assets

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

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Notes to the Financial Statements

For the Year Ended 31 December 2015

2. Accounting policies (continued)

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

The estimated useful lives range as follows:

Leasehold property	-	over 2 to 10 years straight line
Plant & machinery	-	over 5 years straight line
Motor vehicles	-	over 2 to 8 years straight line
Fixtures & fittings	-	over 10 years straight line

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Statement of comprehensive income.

2.5 Stocks

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

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

2.6 Operating leases

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the period of the lease.

2.7 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

Notes to the Financial Statements

For the Year Ended 31 December 2015

2. Accounting policies (continued)

2.8 Deferred taxation

Tax is recognised in the Statement of comprehensive income, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.
- Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and future tax deductions available for them and the difference between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.9 Foreign currency translation

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income statement except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Income statement within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Income statement within 'other operating income'.

Notes to the Financial Statements

For the Year Ended 31 December 2015

2. Accounting policies (continued)

2.10 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an outright short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

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

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

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

2.11 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.12 Debtors

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

Notes to the Financial Statements

For the Year Ended 31 December 2015

2. Accounting policies (continued)

2.13 Cash and cash equivalents

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

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

2.14 Creditors

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

2.15 Finance costs

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

2.16 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.17 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.18 Provisions for liabilities

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

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

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

Notes to the Financial Statements

For the Year Ended 31 December 2015

2. Accounting policies (continued)

2.19 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the company but are presented separately due to their size or incidence.

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

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include the useful lives of fixed assets, the tyre buy-back provision, the carrying value of stocks and recoverability of debts.

4. Analysis of turnover

The whole of the turnover is attributable to the principal activity of the company as set out on page 11.

Analysis of turnover by country of destination:

	2015 £	2014 £
United Kingdom	6,861,011	7,300,635
Rest of Europe	1,567,663	1,248,144
	<u>8,428,674</u>	<u>8,548,779</u>

5. Other operating income

	2015 £	2014 £
Net rents receivable	<u>3,118</u>	<u>2,882</u>

Notes to the Financial Statements

For the Year Ended 31 December 2015

6. Operating (loss)/profit

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

	2015 £	2014 £
Depreciation - assets owned by company	277,001	304,983
Depreciation under finance lease or hire purchase	376,088	322,043
Operating lease rentals - plant and machinery	17,016	30,535
Operating lease rentals - other operating leases	209,725	100,994
Exchange differences	1,638	12,806
Defined contribution pension cost	66,194	44,271
	<u>277,001</u>	<u>304,983</u>

7. Auditor's remuneration

	2015 £	2014 £
Fees payable to the company's auditor for the audit of the company's annual accounts	9,150	9,750
Other services relating to taxation	2,700	2,700
Other accounting services	1,600	-
	<u>9,150</u>	<u>9,750</u>

8. Employees

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

	2015 £	2014 £
Wages and salaries	2,669,709	2,520,555
Social security costs	288,710	267,675
Cost of defined contribution scheme	66,194	44,271
	<u>3,024,613</u>	<u>2,832,501</u>

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

	2015 No.	2014 No.
Management and administration	12	14
Drivers and workshop	66	62
	<u>78</u>	<u>76</u>

Notes to the Financial Statements

For the Year Ended 31 December 2015

9. Directors' remuneration

	2015 £	2014 £
Directors' emoluments	118,486	120,347
Company contributions to defined contribution pension schemes	5,861	5,861
	<u>124,347</u>	<u>126,208</u>

During the year retirement benefits were accruing to 1 director (2014 -1) in respect of defined contribution pension schemes.

10. Interest receivable

	2015 £	2014 £
Other interest receivable	<u>2,595</u>	<u>3,470</u>

11. Interest payable

	2015 £	2014 £
Bank interest payable	-	24
Finance leases and hire purchase contracts	63,864	56,380
	<u>63,864</u>	<u>56,404</u>

Notes to the Financial Statements

For the Year Ended 31 December 2015

12. Taxation

No liability to taxation arises in respect of these financial statements.

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2014 -lower than) the standard rate of corporation tax in the UK of 20% (2014 - 20%). The differences are explained below:

	2015 £	2014 £
(Loss)/profit on ordinary activities before tax	(167,816)	146,660
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2014 -20%)	(33,563)	29,332
Effects of:		
Expenses not deductible for tax purposes	4,964	4,768
Deferred tax rate difference	1,999	-
Deferred tax movement not recognised	26,600	(34,100)
Total tax charge for the year	-	-

Factors that may affect future tax charges

There are no factors that may affect future tax charges.

13. Dividends

	2015 £	2014 £
Dividends paid on equity capital	-	120,000

14. Exceptional items

	2015 £	2014 £
Profit on sale of tangible fixed assets	53,491	38,413

Notes to the Financial Statements

For the Year Ended 31 December 2015

15. Tangible fixed assets

	Long term leasehold property £	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Total £
Cost					
At 1 January 2015	64,527	7,697	7,022,363	51,054	7,145,641
Additions	10,450	-	763,717	3,016	777,183
Disposals	-	-	(483,314)	-	(483,314)
At 31 December 2015	74,977	7,697	7,302,766	54,070	7,439,510
Depreciation					
At 1 January 2015	60,686	7,697	4,863,279	24,821	4,956,483
Charge for the year	3,166	-	644,833	5,090	653,089
Disposals	-	-	(461,887)	-	(461,887)
At 31 December 2015	63,852	7,697	5,046,225	29,911	5,147,685
Net book value					
At 31 December 2015	11,125	-	2,256,541	24,159	2,291,825
At 31 December 2014	3,841	-	2,159,084	26,233	2,189,158

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

	2015 £	2014 £
Motor vehicles	<u>2,058,234</u>	<u>1,848,773</u>

Notes to the Financial Statements

For the Year Ended 31 December 2015

16. Fixed asset investments

	Investments in subsidiary companies £
Cost	
At 1 January 2015 and 31 December 2014	<u>710,385</u>
Impairment	
At 1 January 2015 and 31 December 2014	<u>9,605</u>
Net book value	
At 31 December 2015 and 31 December 2014	<u><u>700,780</u></u>
Subsidiary undertaking	

The following was a subsidiary undertaking of the company:

Name	Country of registration	Class of shares	Holding	Principal activity
Samat U.K. Limited	England and Wales	Ordinary	100 %	Non-trading

The aggregate of the share capital and reserves of Samat U.K. Limited as at 31 December 2015 and 31 December 2014 was £704,864.

The financial statements contain information about Groupe Samat UK Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company has taken the option under Section 402 of the Companies Act 2006 not to prepare consolidated financial statements.

17. Stocks

	2015 £	2014 £
Raw materials and consumables	<u>8,461</u>	<u>8,461</u>

Notes to the Financial Statements

For the Year Ended 31 December 2015

18. Debtors

	2015 £	2014 £
Due within one year		
Trade debtors	1,521,151	1,478,471
Amounts owed by group undertakings	74,078	20,643
Other debtors	85,159	63,510
Prepayments and accrued income	98,950	103,476
	<u>1,779,338</u>	<u>1,666,100</u>

19. Cash and cash equivalents

	2015 £	2014 £
Cash at bank and in hand	<u>519,366</u>	<u>418,976</u>

20. Creditors: Amounts falling due within one year

	2015 £	2014 £
Trade creditors	704,374	531,148
Amounts owed to group undertakings	789,198	757,993
Taxation and social security	273,569	166,631
Net obligations under finance lease and hire purchase contracts	526,253	406,866
Other creditors	39,634	92,873
Accruals and deferred income	165,815	202,691
	<u>2,498,843</u>	<u>2,158,202</u>

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

	2015 £	2014 £
Net obligations under finance leases and hire purchase contracts	<u>1,363,612</u>	<u>1,212,050</u>

Net obligations under finance leases and hire purchase contracts are secured on the related assets.

Notes to the Financial Statements

For the Year Ended 31 December 2015

22. Hire purchase & finance leases

Minimum lease payments under hire purchase fall due as follows:

	2015 £	2014 £
Within one year	526,253	406,866
Between 1-2 years	540,614	388,336
Between 2-5 years	822,998	823,714
	<u>1,889,865</u>	<u>1,618,916</u>

23. Financial instruments

	2015 £	2014 £
Financial assets		
Financial assets measured at amortised cost	<u>2,199,754</u>	<u>1,981,600</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(3,588,886)</u>	<u>(3,203,621)</u>

Financial assets measured at amortised cost comprise cash at bank and in hand, trade debtors, amounts owed by group undertakings and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, amounts owed to group undertakings, other creditors, accruals and deferred income, and amounts due under finance lease agreements.

24. Provisions

	Tyre provision £
At 1 January 2015	48,943
Credited to the profit or loss	(8,092)
At 31 December 2015	<u><u>40,851</u></u>

This provision represents the anticipated liability of tyres on disposal of fixed assets.

Notes to the Financial Statements

For the Year Ended 31 December 2015

25. Reserves

Share premium

Includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares and deducted from the share premium.

Profit & loss account

Includes all current and prior year profit and losses.

26. Share capital

	2015	2014
	£	£
Allotted, called up and fully paid		
500,000 Ordinary shares of £1 each	500,000	500,000

27. Pension commitments

The company operates a defined contribution benefit scheme for its employees. The outstanding pension liability at the year end was £11,886 (2014: £14,301).

28. Capital commitments

At 31 December 2015, the company has a capital commitment of £266,765 (2014: nil) relating to four trailers invoiced prior to the end of the financial year but for which the risks and rewards of ownership did not transfer until the next financial year.

Notes to the Financial Statements

For the Year Ended 31 December 2015

29. Commitments under operating leases

At 31 December 2015 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2015 £	2014 £
Land and buildings		
Less than 1 year	46,108	41,538
Between 2 and 5 years	33,348	3,108
	<u>79,456</u>	<u>44,646</u>
Other		
Less than 1 year	247,485	138,910
Between 2 and 5 years	512,477	227,854
	<u>759,962</u>	<u>366,764</u>

30. Related party transactions

The company is a 100% subsidiary of Groupe Samat SA, incorporated in France. The company has taken advantage of the exemption under FRS 8 not to disclose transactions with other group companies.

The directors represent key management personnel for the purposes of the FRS 102 related party disclosure requirements and their compensation is as disclosed in note 9.

31. Controlling party

The directors consider the ultimate controlling related party to be Groupe Samat SA, a company incorporated in France. Groupe Samat SA represents the largest and smallest group for which group accounts are prepared and which include the company.

32. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.