

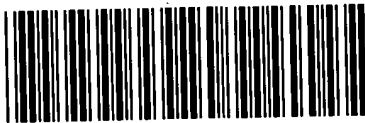
Groupe Samat UK Limited

Registered number: 01480293

Annual report and financial statements

For the year ended 31 December 2018

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GROUPE SAMAT UK LIMITED

COMPANY INFORMATION

Directors	F Dupasquier S Reid A Laffont
Company secretary	A Laffont
Registered number	01480293
Registered office	Unit 2, Cliffe Park Bruntcliffe Road Morley Leeds West Yorkshire LS27 0RY
Independent auditors	Mazars LLP Chartered Accountants & Statutory Auditor 5th Floor 3 Wellington Place Leeds LS1 4AP

GROUPE SAMAT UK LIMITED

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**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018**

Introduction

The company endured a challenging year in 2018 largely due to difficulties in getting and keeping drivers to carry out the business for our customers. Turnover has been consistent throughout the year.

Brexit preparations and assessing the impact of leaving the European Union took a considerable amount of management time during 2018. The actions that have been carried out in 2018 and the preparations for the future will benefit the company going forward.

Business review

The company continued to face a challenge from an aging and reducing population of trained and skilled drivers. Continued investment in new equipment and improvements to pay and conditions has improved our ability to attract drivers to be employed in the business. We suffered in 2018 from high rates of driver turnover and continued high levels of absenteeism. Productivity of the drivers employed continued to improve throughout the year, but the company faced some difficulty to keep tight controls on the operational costs of the business.

The utilisation of the company's assets continued to be one of the key challenges for the business, partly attributable to higher levels of absenteeism but also due to some difficulty faced in recruitment of replacement drivers during the year.

We made some key investments during 2018 for new and replacement equipment. We have begun again to make investment early in 2019 and 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 has seen some consolidation in recent years corresponding with the continued reduction in the size of the UK marketplace. The Market reduction seems to have slowed slightly, giving rise to some margin growth at the end of the year in 2018 which is a good sign for the future endeavours of the company.

We have continued to improve the quality and operational capability and professionalism of the business. Our focus is now to deliver operational efficiency and productivity improvements, with a continued focus on the quality of the service we provide to our customers.

The company is now in a strong position for continued growth in turnover and profitability.

GROUPE SAMAT UK LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

Principal risks and uncertainties

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 the 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

The company 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

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash and assets safely and profitably.

Currency Risk

The company is exposed to transaction and translation foreign currency 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.

Financial key performance indicators

The director's 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 indicators for cost control and service measurement within the Corporate Excellence Project.

Going concern

Throughout 2018 the business operations have improved, The Company has received parental support in 2018 to maintain the liquidity needed for continued operations. The company had provided a budget and forecast for 2019 that has been approved by the shareholder for a further continuance of the company's operations. Furthermore the parent has provided support so that the company can make investments in new equipment to enable future growth.

The company has completed a complete restructure during 2017 which has continued throughout 2018 and the forecast for the business in the coming year shows a continued improvement in the operations of the company.

Exceptional Debt Cancellation

The shareholder has performed an inter-company debt cancellation during the year 2018 of £700k.

GROUPE SAMAT UK LIMITED

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018

The Exit of the UK from the European Union

There is a significant impact on the business as a result of the UK referendum decision to exit from the European Union. The company continues to be involved in international transport operations that will be affected if the UK is not part of the European Customs Union. Many of the costs that the company has are impacted by the UK's decision to leave the European Union in particular the cost of equipment may rise significantly in the future as a result of the outcome of the referendum. There will be some benefits to the company as the UK becomes a stronger independent trading nation from Europe but this may take some years following the departure from the European Union.

This report was approved by the board on 24 July 2019 and signed on its behalf.


S Reid
Director

GROUPE SAMAT UK LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their report and the financial statements for the year ended 31 December 2018.

Directors' responsibilities statement

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

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

In preparing these financial statements, the directors are required to:

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

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

Results and dividends

The profit for the year, after taxation, amounted to £63,478 (2017 - £108,924).

The directors have not declared a dividend in respect of the year ended 31 December 2018 (2017: £NIL).

Directors

The directors who served during the year were:

F Dupasquier
S Reid
A Laffont

Disclosure of information to auditors

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

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

GROUPE SAMAT UK LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Post balance sheet events

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

Auditors

The auditors, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on *24 July* 2019 and signed on its behalf.

S Reid
Director



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GROUPE SAMAT UK LIMITED

Opinion

We have audited the financial statements of Groupe Samat UK Limited (the 'Company') for the year ended 31 December 2018 which comprise the statement of comprehensive income, the balance sheet, the statement of cash flows, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The impact of uncertainties due to Britain exiting the European Union on our audit

The Directors' view on the impact of Brexit is disclosed on page 3.

The terms on which the United Kingdom may withdraw from the European Union are not clear and it is therefore not currently possible to evaluate all the potential implications to the Company's trade, customers, suppliers and the wider economy.

We considered the impact of Brexit on the Company as part of our audit procedures, applying a standard firm wide approach in response to the uncertainty associated with the Company's future prospects and performance.

However, no audit should be expected to predict the unknowable factors or all possible implications for the Company and this is particularly the case in relation to Brexit.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GROUPE SAMAT UK LIMITED

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GROUPE SAMAT UK LIMITED

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

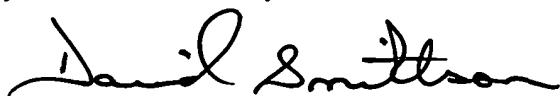
Auditor's responsibilities for the audit of the financial statements

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

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

Use of the audit report

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



David Smithson (Senior statutory auditor)

for and on behalf of

Mazars LLP
Chartered Accountants and Statutory Auditor
5th Floor
3 Wellington Place
Leeds
LS1 4AP

Date: 26 July 2019

GROUPE SAMAT UK LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note	2018 £	2017 £
Turnover	4	8,572,462	8,506,140
Cost of sales		(8,184,048)	(8,008,486)
Gross profit		388,414	497,654
Administrative expenses		(996,287)	(1,035,444)
Exceptional administrative expenses	13	704,084	637,000
Other operating income	5	19,885	64,069
Operating profit		116,096	163,279
Interest receivable and similar income	10	-	1,033
Interest payable and expenses	11	(52,618)	(55,388)
Profit before tax		63,478	108,924
Profit for the financial year		63,478	108,924

There was no other comprehensive income for 2018 (2017:£NIL).

The notes on pages 14 to 31 form part of these financial statements.

GROUPE SAMAT UK LIMITED
REGISTERED NUMBER: 01480293

BALANCE SHEET
AS AT 31 DECEMBER 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	14	1,969,360	1,802,091
Investments	15	-	700,780
		<u>1,969,360</u>	<u>2,502,871</u>
Current assets			
Stocks	16	16,895	16,895
Debtors: amounts falling due within one year	17	1,756,359	1,635,338
Cash at bank and in hand	18	244,473	197,034
		<u>2,017,727</u>	<u>1,849,267</u>
Creditors: amounts falling due within one year	19	(2,153,742)	(2,696,888)
Net current liabilities		<u>(136,015)</u>	<u>(847,621)</u>
Total assets less current liabilities		<u>1,833,345</u>	<u>1,655,250</u>
Creditors: amounts falling due after more than one year	20	(882,426)	(770,646)
Provisions for liabilities			
Other provisions	24	(34,043)	(31,206)
		<u>(34,043)</u>	<u>(31,206)</u>
Net assets		<u>916,876</u>	<u>853,398</u>
Capital and reserves			
Called up share capital	25	500,000	500,000
Share premium account		-	200,002
Profit and loss account		416,876	153,396
		<u>916,876</u>	<u>853,398</u>

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


S Reid
 Director

The notes on pages 14 to 31 form part of these financial statements.

GROUPE SAMAT UK LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 January 2018	500,000	200,002	153,396	853,398
Comprehensive income for the year				
Profit for the year	-	-	63,478	63,478
Total comprehensive income for the year	-	-	63,478	63,478
Share premium reduction	-	(200,002)	200,002	-
At 31 December 2018	<u>500,000</u>	<u>-</u>	<u>416,876</u>	<u>916,876</u>

The notes on pages 14 to 31 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 January 2017	500,000	200,002	44,472	744,474
Comprehensive income for the year				
Profit for the year	-	-	108,924	108,924
Total comprehensive income for the year	-	-	108,924	108,924
At 31 December 2017	<u>500,000</u>	<u>200,002</u>	<u>153,396</u>	<u>853,398</u>

The notes on pages 14 to 31 form part of these financial statements.

GROUPE SAMAT UK LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018**

	2018 £	2017 £
Cash flows from operating activities		
Profit for the financial year	63,478	108,924
Adjustments for:		
Depreciation of tangible assets	677,135	603,240
Profit on disposal of tangible assets	(36,779)	(150,260)
Interest paid	52,618	55,388
Interest received	-	(1,033)
(Increase)/decrease in debtors	(121,021)	360,769
(Decrease) in creditors	(588,296)	(624,755)
Increase/(decrease) in provisions	2,837	(11,348)
Subsidiary investment impairment	700,780	-
Net cash generated from operating activities	750,752	340,925
Cash flows from investing activities		
Purchase of tangible fixed assets	(7,520)	(10,040)
Sale of tangible fixed assets	58,999	156,043
Interest received	-	1,033
HP interest paid	(43,205)	-
Net cash from investing activities	8,274	147,036

GROUPE SAMAT UK LIMITED

STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018

	2018 £	2017 £
Cash flows from financing activities		
New secured loans	-	40,030
Repayment of loans	(9,102)	-
Repayment of/new finance leases	(732,615)	(655,366)
Interest paid	(9,413)	(55,388)
Net cash used in financing activities	(751,130)	(670,724)
Net increase/(decrease) in cash and cash equivalents	7,896	(182,763)
Cash and cash equivalents at beginning of year	114,974	297,737
Cash and cash equivalents at the end of year	122,870	114,974
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	244,473	197,034
Bank overdrafts	(121,603)	(82,060)
	122,870	114,974

The notes on pages 14 to 31 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

1. General information

The company is a limited company registered in England and Wales. The registered office is Unit 2, Cliffe Park, Bruntcliffe Road, Morley, Leeds, West Yorkshire, England, LS27 0RY.

The principal activity of the company is freight by road.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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

The following principal accounting policies have been applied:

2.2 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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 statement of comprehensive income 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 statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the statement of comprehensive income within 'other operating income'.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

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:

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 Operating leases: the Company as lessee

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.5 Interest income

Interest income is recognised in the statement of comprehensive income using the effective interest method.

2.6 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.

2.7 Borrowing costs

All borrowing costs are recognised in the statement of comprehensive income in the year in which they are incurred.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

2.8 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 payment 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 balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.9 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.

2.10 Intangible assets

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

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

2.11 Tangible fixed assets

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

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

Depreciation is provided on the following basis:

Long term 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 in the statement of comprehensive income.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

2.12 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.13 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

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

2.15 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.

2.16 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.

2.17 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

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 balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

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

2.19 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, 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 debtors and creditors, 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 the case of an out-right 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 of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the balance sheet 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

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

Preparation of the financial statements requires management to make significant judgements and estimates. The key assumptions concerning the future, and other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Tyre buy-back provision

The provision valuation is determined by management based on the expected cost of minimum tread tyres for all fleet vehicles held at the year end.

(ii) Useful economic lives of fixed assets

The valuation of depreciation is determined by management based on the estimated useful economic life of tangible assets and any residual value of those assets.

4. Turnover

The whole of the turnover is attributable to the principal activity.

Analysis of turnover by country of destination:

	2018 £	2017 £
United Kingdom	5,216,305	6,959,489
Rest of Europe	3,356,157	1,546,651
	<u>8,572,462</u>	<u>8,506,140</u>

5. Other operating income

	2018 £	2017 £
Rents receivable	19,885	64,069
	<u>19,885</u>	<u>64,069</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

6. Operating profit

The operating profit is stated after charging:

	2018 £	2017 £
Depreciation - assets owned by company	239,403	128,124
Depreciation - assets held under finance leases or hire purchase agreements	437,732	475,116
Exchange differences	39,090	29,039
Other operating lease rentals	261,356	240,487
	<u>261,356</u>	<u>240,487</u>

7. Auditors' remuneration

	2018 £	2017 £
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	8,400	10,500
Fees payable to the Company's auditor and its associates in respect of:		
Other services relating to taxation	2,000	2,700
All other assurance services	2,300	-
	<u>4,300</u>	<u>2,700</u>

GROUPE SAMAT UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

8. Employees

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

	2018 £	2017 £
Wages and salaries	2,377,945	2,490,219
Social security costs	262,086	272,052
Cost of defined contribution scheme	93,979	56,211
	<u>2,734,010</u>	<u>2,818,482</u>

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

	2018 No.	2017 No.
Management and administration	14	14
Drivers and workshop	55	55
	<u>69</u>	<u>69</u>

9. Directors' remuneration

	2018 £	2017 £
Directors' emoluments	122,085	120,068
Company contributions to defined contribution pension schemes	5,861	3,419
	<u>127,946</u>	<u>123,487</u>

During the year retirement benefits were accruing to 1 director (2017 - 1) in respect of defined contribution pension schemes.

10. Interest receivable

	2018 £	2017 £
Other interest receivable	-	1,033
	<u>-</u>	<u>1,033</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

11. Interest payable and similar expenses

	2018 £	2017 £
Bank interest payable	780	-
Other loan interest payable	338	309
Loans from group undertakings	8,295	6,193
Finance leases and hire purchase contracts	43,205	48,886
	<u>52,618</u>	<u>55,388</u>

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 lower than (2017 - lower than) the standard rate of corporation tax in the UK of 19% (2017 - 19.25%). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	<u>63,478</u>	<u>108,924</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.25%)	12,061	20,964
Effects of:		
Fixed asset differences	1,518	-
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	133,768	8,249
Non-taxable income	(266,924)	(122,600)
Changes in tax rates	12,587	1,196
Tax losses carried forward	106,990	92,191
Total tax charge for the year	<u>-</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

12. Taxation (continued)**Factors that may affect future tax charges**

The Finance Act 2016 has set the corporation tax rate for Financial Year 2020 as 17%.

The company has tax losses arising in the UK of £2,393,549 (2017: £1,857,119) that are available to offset against future taxable profits.

A deferred tax asset has not been recognised in respect of these losses as they may not be used in the future.

13. Exceptional items

	2018 £	2017 £
Write back of intercompany debt	700,000	637,000
Proceeds of capital reduction in subsidiary undertakings	704,864	-
Impairment in subsidiary investment	(700,780)	-
	<u>704,084</u>	<u>637,000</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

14. Tangible fixed assets

	Long term leasehold property £	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Total £
Cost or valuation					
At 1 January 2018	72,965	7,697	5,962,752	53,164	6,096,578
Additions	7,520	-	859,104	-	866,624
Disposals	-	-	(315,016)	-	(315,016)
At 31 December 2018	80,485	7,697	6,506,840	53,164	6,648,186
Depreciation					
At 1 January 2018	52,484	7,697	4,205,083	29,223	4,294,487
Charge for the year	7,994	-	664,288	4,853	677,135
Disposals	-	-	(292,796)	-	(292,796)
At 31 December 2018	60,478	7,697	4,576,575	34,076	4,678,826
Net book value					
At 31 December 2018	20,007	-	1,930,265	19,088	1,969,360
At 31 December 2017	20,480	-	1,757,670	23,941	1,802,091

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

	2018 £	2017 £
Motor vehicles	1,694,447	1,599,750
	<u>1,694,447</u>	<u>1,599,750</u>

GROUPE SAMAT UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

15. Fixed asset investments

	Investments in subsidiary companies £
At 1 January 2018	710,385
Amounts written off	(710,385)
At 31 December 2018	-
At 1 January 2018	9,605
Reversal of impairment losses	(9,605)
At 31 December 2018	-
At 31 December 2018	-
At 31 December 2017	700,780

Subsidiary undertaking

The following is the subsidiary undertaking of the Company:

Name	Class of shares	Holding	Principal activity
Samat U.K. Limited	Ordinary	100 %	Non-trading

The aggregate of share capital and reserves as at 31 December 2018 is £0.01 (2017: £704,864).

The address of the registered office of Samat U.K. Limited is Unit 2 Cliffe Park, Bruntcliffe Road, Leeds, LS27 0RY.

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 the group. The company has taken the option under Section 402 of the Companies Act 2006 not to prepare consolidated financial statements.

GROUPE SAMAT UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

16. Stocks

	2018 £	2017 £
Parts	16,895	16,895
	<u>16,895</u>	<u>16,895</u>

17. Debtors

	2018 £	2017 £
Trade debtors	1,570,480	1,435,415
Amounts owed by group undertakings	16,317	32,621
Other debtors	57,430	61,139
Prepayments and accrued income	112,132	106,163
	<u>1,756,359</u>	<u>1,635,338</u>

18. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	244,473	197,034
Less: bank overdrafts	(121,602)	(82,060)
	<u>122,871</u>	<u>114,974</u>

HSBC UK Bank Plc hold a fixed charge over all trade debtors of the Company and a floating charge over all assets held.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

19. Creditors: Amounts falling due within one year

	2018 £	2017 £
Bank overdrafts	121,602	82,060
Bank loans	9,516	9,419
Trade creditors	817,789	797,998
Amounts owed to group undertakings	387,249	861,146
Other taxation and social security	146,619	255,108
Obligations under finance lease and hire purchase contracts	567,310	561,797
Other creditors	12,652	14,942
Accruals and deferred income	91,005	114,418
	<u>2,153,742</u>	<u>2,696,888</u>

Obligations under finance lease and hire purchase contracts are secured on the assets to which they relate.

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

	2018 £	2017 £
Bank loans	21,411	30,611
Net obligations under finance leases and hire purchase contracts	861,015	740,035
	<u>882,426</u>	<u>770,646</u>

Obligations under finance lease and hire purchase contracts are secured on the assets to which they relate.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

21. Loans

Analysis of the maturity of loans is given below:

	2018 £	2017 £
Amounts falling due within one year		
Bank loans	9,516	9,419
Amounts falling due 1-2 years		
Bank loans	9,516	9,419
Amounts falling due 2-5 years		
Bank loans	11,895	21,192
	<u>30,927</u>	<u>40,030</u>

22. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2018 £	2017 £
Within one year	567,310	561,797
Between 1-2 years	387,304	417,667
Between 2-5 years	473,710	322,368
	<u>1,428,324</u>	<u>1,301,832</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

23. Financial instruments

	2018 £	2017 £
Financial assets		
Cash and bank	244,473	197,034
Financial assets measured at amortised cost	1,644,227	1,529,175
	<u>1,888,700</u>	<u>1,726,209</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(2,889,549)</u>	<u>(3,212,426)</u>

Financial assets that are debt instruments measured at amortised cost comprise 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, bank loans and amounts due under finance lease agreements.

24. Provisions

	Tyre provision £
At 1 January 2018	31,206
Charged to profit or loss	2,837
At 31 December 2018	<u><u>34,043</u></u>

25. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
500,000 (2017 - 500,000) Ordinary shares of £1.00 each	<u>500,000</u>	<u>500,000</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

26. Reserves**Share premium account**

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

Profit & loss account

Includes accumulated profits and losses from the current and prior periods, less dividends paid.

27. Capital commitments

At 31 December 2018 the Company had capital commitments as follows:

	2018 £	2017 £
Contracted for but not provided in these financial statements	-	468,360
	<u>-</u>	<u>468,360</u>

28. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £93,979 (2017 - £56,211). Contributions totalling £11,844 (2017 - £12,782) were payable to the fund at the balance sheet date and are included in creditors.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

29. Commitments under operating leases

At 31 December 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	2017 £
Land and buildings		
Not later than 1 year	71,043	85,580
Later than 1 year and not later than 5 years	34,002	51,698
	<u>105,045</u>	<u>137,278</u>
	2018 £	2017 £
Other		
Not later than 1 year	209,688	230,807
Later than 1 year and not later than 5 years	70,871	270,299
	<u>280,559</u>	<u>501,106</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 FSR102 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. Copies of Groupe Samat SA consolidated financial statements can be obtained from Zi de Seyssuel, Cedex, Vienne, 38216, France.