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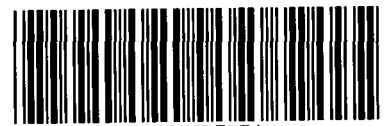
**BULKHAUL LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2016**

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<b>BULKHAUL LIMITED</b>
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**COMPANY INFORMATION**

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**Directors**

S Gibson  
M O'Neill  
T Jackson  
R Allen (appointed 1 June 2016)

**Registered number**

1603021

**Registered office**

Brignell Road  
Riverside Park Industrial Estate  
Middlesbrough  
TS2 1PS

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**BULKHAUL LIMITED**

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**GROUP STRATEGIC REPORT  
FOR THE YEAR ENDED 30 JUNE 2016**

**Business review**

The results for the financial year show a profit on ordinary activities before taxation of £39,713,000 (2015: £35,734,000) and turnover of £169,260,000 (2015: £164,676,000). The group has net assets of £232,775,000 (2015: £208,125,000).

The company has committed to its long term confident outlook by continuing to take delivery of newly built tanks to increase its already considerable fleet of owned tank containers.

**Financial risk management**

The group's operations expose it to a variety of financial risks that include the effects of market risk (including cash flow interest rate risk), credit risk, liquidity risk and foreign exchange risk. The group monitors the risks in order to limit the adverse effects on the financial performance.

**Market risk (including cash flow interest rate risk)**

The group's interest rate risk arises from long term borrowings which are issued at variable rates that expose the group to cash flow interest rate risk. The interest exposure of the group is managed within the constraints of the group's business plan and the financial covenants under its facilities.

**Credit risk**

Credit risk arises from cash and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding debtors. The group has implemented policies that require appropriate credit checks on potential customers before sales are made and for banks and financial institutions. Only independently rated parties with a minimum rating of "A" are accepted.

**Liquidity risk**

The group actively maintains a mixture of long-term and short-term debt finance that is designed to ensure the group has sufficient funds available for operations and planned expansions.

**Foreign exchange risk**

The group is exposed to foreign exchange risk as a result of its operation. This risk is managed through a range of various hedging instruments.

**Global Freight rates**

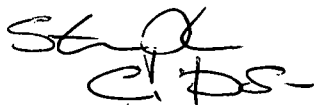
The key measure of the company's performance relies upon the global freight rates. These have always been subject to considerable cyclical fluctuations. The company's success is built upon the ability to manage this volatility through careful control of its long term contractual business and adhoc/spot business together with careful monitoring and management of its operational and overhead cost base.

**Other key performance indicators**

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

This report was approved by the board on 4 January 2017 and signed on its behalf.

**S Gibson**  
Director



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**BULKHAUL LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 30 JUNE 2016**

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The directors present their report and the audited consolidated financial statements for the year ended 30 June 2016.

**Directors' responsibilities statement**

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated 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' (FRS 102). 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 the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;  
notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Principal activity**

The group's principal activity is the global transportation of bulk liquids, gases and powders.

**Results and dividends**

The profit for the year, after taxation, amounted to £34,999 thousand (2015 - £27,707 thousand).

Ordinary shares : Interim dividend paid of £26.60 per share amounting to £665,000. (2015: £41.60 per share amounting to £1,040,000).

No final dividend was proposed.

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## BULKHAUL LIMITED

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### DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2016

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#### Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

S Gibson  
M O'Neill  
T Jackson  
J G Trenholm (resigned 30 June 2015)  
R Allen (appointed 1 June 2016)

#### Future outlook

It is the opinion of the Directors that the progress and development of the group can be continued throughout the forthcoming year despite the continuing adverse economic environment.

#### Employee involvement

Information on matters of concern to employees is communicated on a regular basis to seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

The group is committed to employment policies, which follow best practice, based on equal opportunities for all employees, irrespective of sex, race, colour, disability or marital status and offers appropriate training and career development for disabled staff. If members of staff become disabled the group continues employment wherever possible and arranges retraining.

#### Disabled employees

It is the group's policy that disabled people should receive full and fair consideration for all job vacancies for which they are suitable applicants. Employees who become disabled during their working life will be retained in employment wherever possible and will be given help with any necessary rehabilitation and retraining. The group is prepared to modify procedures or equipment, wherever this is practicable, so that full use can be made of an individual's abilities.

#### Matters covered in the strategic report

Included in the Strategic report is the Financial risk management.

#### 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 that director is aware, there is no relevant audit information of which the Company and the Group's auditors are 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 and the Group's auditors are aware of that information.

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**BULKHAUL LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2016**

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**Post balance sheet events**

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

This report was approved by the board on 4 January 2017 and signed on its behalf.

A handwritten signature in black ink, appearing to be 'S Gibson', with a stylized flourish at the end.

**S Gibson**  
Director

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BULKHAUL LIMITED**

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## **Report on the financial statements**

### **Our Opinion**

In our opinion, Bulkhaul Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 30 June 2016 and of the group's profit and cash flows 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.

### **What we have audited**

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the consolidated and company balance sheets as at 30 June 2016;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- the consolidated and company statements of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), and applicable law.

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

## **Opinion on other matter prescribed by the Companies Act 2006**

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

## **Other matters on which we are required to report by exception**

### **Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

### **Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BULKHAUL LIMITED**

**Responsibilities for the financial statements and the audit**

**Our responsibilities and those of the directors**

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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) (ISA's (UK & Ireland)). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

**What an audit of the financial statements involves**

We conducted our audit in accordance with ISAs (UK&Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the group's and the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Bill MacLeod (Senior Statutory Auditor)

for and on behalf of

**PricewaterhouseCoopers LLP**

Chartered Accountants and Statutory Auditors

Newcastle upon Tyne

4 January 2017

**BULKHAUL LIMITED**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2016**

	Note	2016 £000	2015 £000
Turnover	4	169,260	164,676
Cost of sales		(90,636)	(93,750)
<b>Gross profit</b>		<b>78,624</b>	<b>70,926</b>
Administrative expenses		(35,425)	(31,013)
<b>Operating profit</b>	5	<b>43,199</b>	<b>39,913</b>
Interest receivable and similar income	9	4	9
Interest payable and similar charges	10	(3,490)	(4,188)
<b>Profit on ordinary activities before taxation</b>		<b>39,713</b>	<b>35,734</b>
Tax on profit on ordinary activities	11	(4,714)	(8,027)
<b>Profit for the financial year</b>		<b>34,999</b>	<b>27,707</b>
Unrealised surplus on impairment of tangible fixed assets		1,768	213
Currency translation differences on investment property revaluation		1,584	76
Deferred tax movement		1,738	-
Change in fair value of derivative financial instruments		(8,780)	5,259
Amount transferred to turnover from hedge reserve		(5,994)	-
<b>Other comprehensive (expense)/income for the year</b>		<b>(9,684)</b>	<b>5,548</b>
<b>Total comprehensive income for the year</b>		<b>25,315</b>	<b>33,255</b>
<b>Profit for the financial year</b>			
Non-controlling interests		-	-
Owners of the parent Company		34,999	27,707
		<b>34,999</b>	<b>27,707</b>
<b>Total comprehensive income for the year</b>			
Non-controlling interest		-	-
Owners of the parent Company		25,315	33,255
		<b>25,315</b>	<b>33,255</b>

**BULKHAUL LIMITED**  
**REGISTERED NUMBER: 1603021**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 30 JUNE 2016**

	Note	£000	2016 £000	£000	2015 £000
<b>Fixed assets</b>					
Tangible assets	14		225,698		212,371
Investment property	16		10,317		8,733
			<u>236,015</u>		<u>221,104</u>
<b>Current assets</b>					
Stocks	17	588		815	
Debtors: amounts falling due after more than one year	18	-		361	
Debtors: amounts falling due within one year	18	174,042		152,419	
Cash at bank and in hand	19	5,431		7,517	
			<u>180,061</u>	<u>161,112</u>	
Creditors: amounts falling due within one year	20	(71,120)		(63,318)	
<b>Net current assets</b>			<u>108,941</u>		<u>97,794</u>
<b>Total assets less current liabilities</b>			<u>344,956</u>		<u>318,898</u>
Creditors: amounts falling due after more than one year	21		(91,046)		(86,274)
<b>Provisions for liabilities</b>					
Deferred taxation	25		(21,135)		(24,499)
<b>Net assets</b>			<u><u>232,775</u></u>		<u><u>208,125</u></u>
<b>Capital and reserves</b>					
Called up share capital	26		25		25
Revaluation reserve	27		6,505		4,737
Cash flow hedge reserve	27		(9,655)		5,119
Profit and loss account	27		235,900		198,244
<b>Total equity attributable to owners of the parent Company</b>			<u><u>232,775</u></u>		<u><u>208,125</u></u>

The financial statements on pages 7 to 45 were approved and authorised for issue by the board and were signed on its behalf on 4 January 2017.

**S Gibson**  
Director



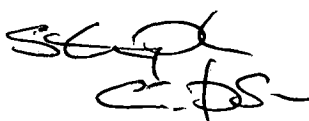
**BULKHAUL LIMITED**  
**REGISTERED NUMBER: 1603021**

**COMPANY BALANCE SHEET**  
**AS AT 30 JUNE 2016**

	Note	£000	2016 £000	£000	2015 £000
<b>Fixed assets</b>					
Tangible assets	14		195,879		185,752
Investments	15		11,964		11,964
			<u>207,843</u>		<u>197,716</u>
<b>Current assets</b>					
Stocks	17	489		744	
Debtors: amounts falling due after more than one year	18	-		361	
Debtors: amounts falling due within one year	18	189,330		164,264	
Cash at bank and in hand	19	4,768		6,967	
			<u>194,587</u>	<u>172,336</u>	
Creditors: amounts falling due within one year	20	(71,198)		(62,767)	
<b>Net current assets</b>			<u>123,389</u>		<u>109,569</u>
<b>Total assets less current liabilities</b>			<u>331,232</u>		<u>307,285</u>
Creditors: amounts falling due after more than one year	21		(91,046)		(86,274)
<b>Provisions for liabilities</b>					
Deferred taxation	25		(21,129)		(24,494)
<b>Net assets</b>			<u>219,057</u>		<u>196,517</u>
<b>Capital and reserves</b>					
Called up share capital	26		25		25
Cash flow hedge reserve	27		(9,655)		5,119
Profit and loss account	27		228,687		191,373
<b>Total Equity</b>			<u>219,057</u>		<u>196,517</u>

The financial statements on pages 7 to 45 were approved and authorised for issue by the board and were signed on its behalf on 4 January 2017.

**S Gibson**  
Director



**BULKHAUL LIMITED**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2016**

	Called up share capital	Revaluation reserve	Cash flow hedge reserve	Profit and loss account	Total equity
	£000	£000	£000	£000	£000
At 1 July 2015	25	4,737	5,119	198,244	208,125
<b>Comprehensive income for the year</b>					
Profit for the financial year	-	-	-	34,999	34,999
Currency translation differences on investment property revaluation	-	-	-	1,584	1,584
Deferred tax movements	-	-	-	1,738	1,738
Revaluation gains on property	-	1,768	-	-	1,768
Change in fair value of derivatives	-	-	(8,780)	-	(8,780)
Amount transferred to turnover	-	-	(5,994)	-	(5,994)
<b>Other comprehensive income/(expense) for the year</b>	-	1,768	(14,774)	3,322	(9,684)
<b>Total comprehensive income/(expense) for the year</b>	-	1,768	(14,774)	38,321	25,315
<b>Contributions by and distributions to owners</b>					
Dividends: paid	-	-	-	(665)	(665)
<b>Total transactions with owners</b>	-	-	-	(665)	(665)
<b>At 30 June 2016</b>	<b>25</b>	<b>6,505</b>	<b>(9,655)</b>	<b>235,900</b>	<b>232,775</b>

**BULKHAUL LIMITED**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2015**

	Called up share capital	Revaluation reserve	Cash flow hedge reserve	Profit and loss account	Total equity
	£000	£000	£000	£000	£000
At 1 July 2014	25	4,524	(140)	171,501	175,910
<b>Comprehensive income for the year</b>					
Profit for the financial year	-	-	-	27,707	27,707
Currency translation differences on investment property revaluation	-	-	-	76	76
Revaluation gains on property	-	213	-	-	213
Change in fair value of derivatives	-	-	5,259	-	5,259
<b>Other comprehensive income for the year</b>	-	213	5,259	76	5,548
<b>Total comprehensive income for the year</b>	-	213	5,259	27,783	33,255
Dividends: paid	-	-	-	(1,040)	(1,040)
<b>Total transactions with owners</b>	-	-	-	(1,040)	(1,040)
<b>At 30 June 2015</b>	<b>25</b>	<b>4,737</b>	<b>5,119</b>	<b>198,244</b>	<b>208,125</b>

**BULKHAUL LIMITED**

**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2016**

	Called up share capital	Cash flow hedge reserve	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 July 2015	25	5,119	191,373	196,517
<b>Comprehensive income for the year</b>				
Profit for the financial year	-	-	36,241	36,241
Deferred tax movements	-	-	1,738	1,738
Change in fair value of derivatives	-	(8,780)	-	(8,780)
Amount transferred to turnover	-	(5,994)	-	(5,994)
<b>Other comprehensive expense for the year</b>	-	(14,774)	1,738	(13,036)
<b>Total comprehensive income/(expense) for the year</b>	-	(14,774)	37,979	23,205
<b>Contributions by and distributions to owners</b>				
Dividends: Equity capital	-	-	(665)	(665)
<b>Total transactions with owners</b>	-	-	(665)	(665)
<b>At 30 June 2016</b>	<b>25</b>	<b>(9,655)</b>	<b>228,687</b>	<b>219,057</b>

**BULKHAUL LIMITED**

**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2015**

	Called up share capital	Cash flow hedge reserve	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 July 2014	25	(140)	165,827	165,712
<b>Comprehensive income for the year</b>				
Profit for the financial year	-	-	26,586	26,586
Change in fair value of derivatives	-	5,259	-	5,259
<b>Other comprehensive income for the year</b>	-	5,259	-	5,259
<b>Total comprehensive income for the year</b>	-	5,259	26,586	31,845
<b>Contributions by and distributions to owners</b>				
Dividends: Equity capital	-	-	(1,040)	(1,040)
<b>Total transactions with owners</b>	-	-	(1,040)	(1,040)
<b>At 30 June 2015</b>	<b>25</b>	<b>5,119</b>	<b>191,373</b>	<b>196,517</b>



**BULKHAUL LIMITED**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2016**

	2016 £000	2015 £000
<b>Cash flows from operating activities</b>		
Profit for the financial year	34,999	27,707
<b>Adjustments for:</b>		
Depreciation of tangible assets	9,133	8,987
Profit on disposal of tangible assets	(13)	(144)
Interest paid	3,542	4,188
Interest received	(4)	(9)
Taxation	4,714	8,027
Decrease/(increase) in stocks	227	(60)
(Increase)/decrease in debtors	(3,743)	1,963
(Increase) in amounts owed by group undertakings	(22,638)	(7,975)
(Decrease) in creditors	(3,126)	(1,367)
Increase/(decrease) in amounts owed to group undertakings	1,455	(2,407)
Corporation tax	(3,315)	(550)
Overseas tax	(255)	(164)
<b>Net cash generated from operating activities</b>	<u>20,976</u>	<u>38,196</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(20,832)	(21,837)
Sale of tangible fixed assets	154	496
Interest received	4	9
Hire purchase interest paid	(1,157)	(1,463)
<b>Net cash used in investing activities</b>	<u>(21,831)</u>	<u>(22,795)</u>
<b>Cash flows from financing activities</b>		
New secured loans	17,000	6,000
Repayment of loans	(8,028)	(12,093)
Repayment of finance leases	(7,153)	(7,252)
Dividends paid	(665)	(1,040)
Interest paid	(2,385)	(2,796)
<b>Net cash used in financing activities</b>	<u>(1,231)</u>	<u>(17,181)</u>
Cash and cash equivalents at beginning of year	7,517	9,297
<b>Cash and cash equivalents at the end of year</b>	<u><u>5,431</u></u>	<u><u>7,517</u></u>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	<u><u>5,431</u></u>	<u><u>7,517</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

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**1. General information**

Bulkhaul Limited is a limited liability company incorporated in the United Kingdom. It's registered office is Brignell Road, Riverside Park Industrial Estate, Middlesbrough, TS2 1PS.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain tangible fixed assets 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.

Information on the impact of first-time adoption of FRS 102 is given in note 33. The group complies fully with the requirements of FRS 102 in these financial statements.

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

The following principal accounting policies have been applied consistently:

**2.2 Basis of consolidation**

The consolidated financial statements present the results of the Group and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance sheet, the acquiree'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 statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 July 2014.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016

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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 Group 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 Group 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, other than investment properties, 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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The Group 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 Group. 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.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

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**2. Accounting policies (continued)****2.4 Tangible fixed assets (continued)**

Freehold Land is not depreciated. Depreciation on other assets 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:

Freehold property	- 50 years
Long Term Leasehold land	- 50 years
Motor vehicles	- 5 years
Fixtures and fittings	- 5 - 10 years
Commercial vehicles and tanks	- 5 - 22 years

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 Consolidated statement of comprehensive income.

**2.5 Revaluation of tangible fixed assets**

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Balance sheet date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in the Consolidated statement of comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

**2.6 Investment property**

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Profit and loss account.

**2.7 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

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**2. Accounting policies (continued)**

**2.8 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.

**2.9 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.

**2.10 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 Consolidated 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.

**2.11 Financial instruments**

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 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 Profit and loss account.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

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**2. Accounting policies (continued)**

**2.11 Financial instruments (continued)**

an approximation of the amount that the Group 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.

**2.12 Hedge accounting**

The Group has entered into various fixed foreign exchange rate forward contracts to manage its exposure to foreign currency cash flow risk on its variable rate income. These derivatives are measured at fair value at each balance sheet date. To the extent the hedge is effective, movements in fair value are recognised in other comprehensive income and presented in a separate cash flow hedge reserve. Any ineffective portions of those movements are recognised in profit or loss for the period.

**2.13 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.

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## BULKHAUL LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

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#### 2. Accounting policies (continued)

##### 2.14 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 Profit and loss account 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 Profit and loss account within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Profit and loss account within 'other operating income'.

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 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.

##### 2.15 Finance costs

Finance costs are charged to the Profit and loss account 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.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

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**2. Accounting policies (continued)****2.17 Operating leases: the Group as lessee**

Rentals paid under operating leases are charged to the profit and loss account 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 period until the date the rent is expected to be adjusted to the prevailing market rate.

**2.18 Leased assets: the Group as lessee**

Assets obtained under hire purchase contract and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

**2.19 Pensions****Defined contribution pension plan**

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

The contributions are recognised as an expense in the Profit and loss account 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 Group in independently administered funds.

**2.20 Holiday pay accrual**

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Balance sheet date.

**2.21 Interest income**

Interest income is recognised in the Profit and loss account using the effective interest method.

**2.22 Borrowing costs**

All borrowing costs are recognised in the Profit and loss account in the year in which they are incurred.



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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

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**2. Accounting policies (continued)**

**2.23 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Group 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 Profit and loss account in the year that the Group 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.

**2.24 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Profit and loss account, 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 balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet 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 the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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

Judgements in relation to investment properties and fixed assets relate to their fair value at period end and their economic life cycle. The fair value of the investment property is assessed by an independent professional valuer. The life cycle of the assets is determined in accordance with industry standards combined with senior management experience and knowledge.

Judgements in relation to foreign exchange derivatives relate to their fair value at period end. Valuations are provided by the financial institutions with whom the contracts are with.

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**BULKHAUL LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

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**4. Turnover**

The whole of the turnover is attributable to transportation services.

A segmental analysis of turnover has not been given on the grounds that the directors consider that such disclosure would be seriously prejudicial to the interests of the group.

**5. Operating profit**

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

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Depreciation of tangible fixed assets	<b>9,133</b>	<b>8,987</b>
Fees payable to the Group's auditors and their associates for the audit of the Company's annual financial statements	<b>44</b>	<b>44</b>
Exchange differences	<b>391</b>	<b>(981)</b>
Other operating lease rentals	<b>-</b>	<b>(4)</b>
Defined contribution pension cost	<b>790</b>	<b>929</b>
	<b>=====</b>	<b>=====</b>

**6. Auditors' remuneration**

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Fees payable to the Group's auditors and their associates for the audit of the Group's annual financial statements	<b>44</b>	<b>44</b>
	<b>=====</b>	<b>=====</b>

**44** **44**

**Fees payable to the Group's auditors and their associates in respect of:**

Other services relating to taxation	<b>29</b>	<b>102</b>
	<b>=====</b>	<b>=====</b>

**29** **102**

# BULKHAUL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

### 7. Employees

Staff costs were as follows:

	2016 £000	2015 £000
Wages and salaries	13,952	12,817
Social security costs	1,695	1,518
Other pension costs (see note 29)	790	929
	<u>16,437</u>	<u>15,264</u>

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

	2016 No.	2015 No.
Office and management	273	267
Drivers and mechanics	163	153
	<u>436</u>	<u>420</u>

### 8. Directors' remuneration

	2016 £000	2015 £000
Directors' emoluments	618	632
Company contributions to defined contribution pension schemes	135	159
	<u>753</u>	<u>791</u>

During the year retirement benefits were accruing to 3 directors (2015 - 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £488 thousand (2015 - £388 thousand).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £54 thousand (2015 - £39 thousand).

### 9. Interest receivable and similar income

	2016 £000	2015 £000
Other interest receivable	4	9
	<u>4</u>	<u>9</u>

**BULKHAUL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

**10. Interest payable and similar charges**

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Bank interest payable	2,340	2,745
Finance leases and hire purchase contracts	1,150	1,443
	<u>3,490</u>	<u>4,188</u>

**11. Tax on profit on ordinary activities**

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
<b>Corporation tax</b>		
Current tax on profits for the year	5,979	6,002
Adjustments in respect of previous periods	95	4
	<u>6,074</u>	<u>6,006</u>
<b>Foreign tax</b>		
Foreign tax on income for the year	267	189
	<u>267</u>	<u>189</u>
<b>Total current tax</b>	<u>6,341</u>	<u>6,195</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	914	1,901
Changes to tax rates	(2,541)	(69)
<b>Total deferred tax (see note 25)</b>	<u>(1,627)</u>	<u>1,832</u>
<b>Taxation on profit on ordinary activities</b>	<u>4,714</u>	<u>8,027</u>

# BULKHAUL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

### 11. Tax on profit on ordinary activities (continued)

#### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2015 - *lower than*) the standard rate of corporation tax in the UK of 20% (2015 - 20.75%). The differences are explained below:

	2016 £000	2015 £000
Profit on ordinary activities before tax	39,713	35,734
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.75%)	7,943	7,415
<b>Effects of:</b>		
Expenses not deductible for tax purposes	113	114
(Lower)/Higher rate taxes on overseas earnings	462	(83)
Adjustments to tax charge in respect of prior periods	95	(11)
Tax rate changes	(2,541)	(69)
Non-taxable income	(1,024)	-
Cash flow hedge not in P&L	-	1,062
Group relief / Other reliefs	(334)	(401)
<b>Total tax charge for the year</b>	<b>4,714</b>	<b>8,027</b>

The standard rate of corporation tax in the UK changed from 21% to 20% with effect from 1 April 2015. Accordingly, the group's profits for this accounting period are taxed at 20%.

#### Factors that may affect future tax charges

A further change to the UK corporation tax was announced in the Chancellor's Budget on 16 March 2016. The change announced is to reduce the main rate to 17% from 1 April 2020. Changes to reduce the UK corporation tax rate to 19% from 1 April 2017 and to 18% from 1 April 2020 had already been enacted on 26 October 2015.

As the change to 17% had not been substantially enacted at the balance sheet date its effects are not included in these financial statements and deferred tax is therefore recognised at 18%.

### 12. Dividends

	2016 £000	2015 £000
<b>Ordinary</b>		
Interim paid of £26.60 per share (2015: £41.60 per share)	665	1,040
	<b>665</b>	<b>1,040</b>

**BULKHAUL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

**13. Parent company profit for the year**

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements. The profit for the financial year of the parent Company for the year was £36,241,000 (2015 - £26,586,000).

**14. Tangible fixed assets**

**Group**

	Long leasehold land and freehold land and buildings £000	Motor vehicles £000	Fixtures and fittings £000	Commercial vehicles and tanks £000	Total £000
<b>Cost or valuation</b>					
At 1 July 2015	45,893	1,153	5,105	276,825	328,976
Additions	2,273	160	565	17,835	20,833
Disposals	-	(236)	(2)	(196)	(434)
Exchange adjustments	1,592	-	-	-	1,592
At 30 June 2016	49,758	1,077	5,668	294,464	350,967
<b>Accumulated depreciation</b>					
At 1 July 2015	6,358	594	4,151	105,502	116,605
Charge owned for the year	579	184	419	5,625	6,807
Charge financed for the year	-	-	-	2,326	2,326
Disposals	-	(197)	(2)	(94)	(293)
On revalued assets	(176)	-	-	-	(176)
At 30 June 2016	6,761	581	4,568	113,359	125,269
<b>Net book value</b>					
At 30 June 2016	42,997	496	1,100	181,105	225,698
At 30 June 2015	39,534	559	954	171,324	212,371

**BULKHAUL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

**14. Tangible fixed assets (continued)**

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

	<b>2016 £000</b>	<b>2015 £000</b>
Commercial vehicles and tanks	<b>55,247</b>	57,258
	<b>55,247</b>	57,258

Cost or valuation at 30 June 2016 is as follows:

The leasehold building in Singapore was valued at the balance sheet date by DTZ Debenham Tie Leung (SEA) Pts Ltd, an independent professional valuer, using the Direct Comparison Approach basis.

	<b>Land and buildings £000</b>
<b>At cost 30 June 2016</b>	<b>39,388</b>
<b>At valuation:</b>	
30 June 2016 using the Direct Comparison Approach basis	<b>10,370</b>
	<b>49,758</b>

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	<b>2016 £000</b>	<b>2015 £000</b>
<b>Group</b>		
Cost	<b>44,635</b>	42,362
Accumulated depreciation	<b>(8,144)</b>	(7,565)
<b>Net book value</b>	<b>36,491</b>	34,797

# BULKHAUL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

### Company

	Long leasehold land and freehold land and buildings £000	Motor vehicles £000	Fixtures and fittings £000	Commercial vehicles and tanks £000	Total £000
<b>Cost or valuation</b>					
At 1 July 2015	16,728	837	3,118	276,825	297,508
Additions	791	32	305	17,835	18,963
Disposals	-	(100)	-	(196)	(296)
At 30 June 2016	17,519	769	3,423	294,464	316,175
<b>Accumulated depreciation</b>					
At 1 July 2015	3,394	386	2,474	105,503	111,757
Charge owned for the year	377	133	264	5,625	6,399
Charge financed for the year	-	-	-	2,326	2,326
Disposals	-	(92)	-	(94)	(186)
At 30 June 2016	3,771	427	2,738	113,360	120,296
At 30 June 2016	13,748	342	685	181,104	195,879
At 30 June 2015	13,334	451	644	171,323	185,752

### Finance leases

The net book value of tangible fixed assets includes an amount of £55,247,000 (2015: £57,258,000) in respect of assets held under finance leases and hire purchase contracts.



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**BULKHAUL LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

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**15. Investments****Direct subsidiary undertakings**

The following were subsidiary undertakings of the Company:

<b>Name</b>	<b>Country of incorporation</b>	<b>Class of shares</b>	<b>Holding</b>	<b>Principal activity</b>
Bulkhaul International Limited	England and Wales	Ordinary	100 %	Holding company
Bulkhaul Belgium NV	Belgium	Ordinary	100 %	Tank container services
Bulkhaul (Italia) Srl	Italy	Ordinary	100 %	Dormant
Bulkhaul (Singapore) Pte Limited	Singapore	Ordinary	100 %	Tank container services
Bulkhaul Korea Co Ltd	Korea	Ordinary	100 %	Tank container services
Bulkhaul Japan KK	Japan	Ordinary	100 %	Tank container services
Bulkhaul Brasil Ltd	Brasil	Ordinary	100 %	Tank container services

**Indirect Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

<b>Name</b>	<b>Country of incorporation</b>	<b>Class of shares</b>	<b>Holding</b>	<b>Principal activity</b>
<b>Held by subsidiaries:</b>				
Bulkhaul (Germany) GmbH	Germany	Ordinary	100 %	Tank container services
Bulkhaul (USA) Incorporated	USA	Ordinary	100 %	Tank container services

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**BULKHAUL LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

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**15. Investments (continued)****Company****Investments  
in group  
undertaking  
£000****Cost or valuation**

At 1 July 2015

**11,964**

At 30 June 2016

**11,964****Net book value**

At 30 June 2016

**11,964**

At 30 June 2015

**11,964**

# BULKHAUL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

### 16. Investment property

#### Group

	Long term leasehold investment property £000
<b>Valuation</b>	
At 1 July 2015	8,733
Foreign exchange movement	1,584
<b>At 30 June 2016</b>	<b>10,317</b>

The 2016 valuations were made by DTZ Debenham Tie Leung (SEA) Pte Ltd, on an open market value for existing use basis.

If the Investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	2016 £000	2015 £000
Historic cost	4,573	4,573
Accumulated depreciation and impairments	(732)	(640)
	<b>3,841</b>	<b>3,933</b>

The 2016 valuations were made by DTZ Debenham Tie Leung (SEA) Pte Ltd, on an open market value for existing use basis.

**BULKHAUL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

**17. Stocks**

	<b>Group 2016 £000</b>	<b>Group 2015 £000</b>	<b>Company 2016 £000</b>	<b>Company 2015 £000</b>
Raw materials and consumables	<b>588</b>	<b>815</b>	<b>489</b>	<b>744</b>
	<b>588</b>	<b>815</b>	<b>489</b>	<b>744</b>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

Stock recognised in the income statement during the year as an expense was £2,110,000 (2015 - £2,047,000).

**18. Debtors**

	<b>Group 2016 £000</b>	<b>Group 2015 £000</b>	<b>Company 2016 £000</b>	<b>Company 2015 £000</b>
<b>Amounts falling due after more than one year</b>				
Derivative financial instruments	-	361	-	361
	-	361	-	361
<b>Amounts falling due within one year</b>				
Trade debtors	<b>31,074</b>	<b>27,241</b>	<b>31,074</b>	<b>27,241</b>
Amounts owed by group undertakings	<b>140,624</b>	<b>117,985</b>	<b>156,254</b>	<b>130,080</b>
Other debtors	<b>877</b>	<b>1,197</b>	<b>656</b>	<b>1,063</b>
Prepayments and accrued income	<b>1,467</b>	<b>1,239</b>	<b>1,346</b>	<b>1,123</b>
Derivative financial instruments	-	4,757	-	4,757
	<b>174,042</b>	<b>152,419</b>	<b>189,330</b>	<b>164,264</b>

# BULKHAUL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

### 18. Debtors (continued)

At 30 June 2016, a loan to T Jackson, a director of the company, amounting to £285,042 (2015: £243,307) was outstanding. The loan was interest free, and the maximum amount outstanding during the year was £296,196 (2015: £243,307).

At 30 June 2016, a loan to J G Trenholm, a director of the company (resigned 30 June 2015), amounting to £nil (2015: £260,526) was outstanding. The loan was interest free, and the maximum amount outstanding during the year was £310,240 (2015: £260,526).

Amounts owed by parent, fellow subsidiaries and subsidiary undertakings are unsecured, interest free and are repayable on demand.

### 19. Cash and cash equivalents

	<b>Group 2016 £000</b>	<b>Group 2015 £000</b>	<b>Company 2016 £000</b>	<b>Company 2015 £000</b>
Cash at bank and in hand	5,431	7,517	4,768	6,967
	<b>5,431</b>	<b>7,517</b>	<b>4,768</b>	<b>6,967</b>

### 20. Creditors: Amounts falling due within one year

	<b>Group 2016 £000</b>	<b>Group 2015 £000</b>	<b>Company 2016 £000</b>	<b>Company 2015 £000</b>
Bank loans	21,000	16,228	21,000	15,400
Trade creditors	9,604	7,838	9,381	7,764
Amounts owed to group undertakings	3,017	1,562	4,715	2,919
Corporation tax	5,045	8,273	5,045	8,273
Other taxation and social security	262	51	362	352
Obligations under finance lease and hire purchase contracts	4,344	7,436	4,344	7,436
Other creditors	3,732	3,458	2,842	2,480
Accruals and deferred income	18,734	18,472	18,127	18,143
Derivative financial instruments	5,382	-	5,382	-
	<b>71,120</b>	<b>63,318</b>	<b>71,198</b>	<b>62,767</b>

At 30 June 2016, a loan owed to M O'Neill, a director of the company, amounting to £23,324 (2015: £423,771) was outstanding within Other creditors.

# BULKHAUL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

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

	<b>Group 2016 £000</b>	<i>Group 2015 £000</i>	<b>Company 2016 £000</b>	<i>Company 2015 £000</i>
Bank loans	59,400	55,200	59,400	55,200
Net obligations under finance leases and hire purchase contracts	27,012	31,074	27,012	31,074
Derivative financial instruments (after 1 year)	4,634	-	4,634	-
	<b>91,046</b>	<i>86,274</i>	<b>91,046</b>	<i>86,274</i>

### 22. Loans

The bank loans and overdraft are secured by fixed and floating charges over some of the group's land and buildings and tank containers.

The loans carry fixed interest rates of between 4.75% and 10% variable rates of between 0.75% and 10% above the base rate.

	<b>Group 2016 £000</b>	<i>Group 2015 £000</i>	<b>Company 2016 £000</b>	<i>Company 2015 £000</i>
<b>Amounts falling due within one year</b>				
Bank loans	21,000	16,228	21,000	15,400
<b>Amounts falling due 1-2 years</b>				
Bank loans	5,880	8,400	5,880	8,400
<b>Amounts falling due 2-5 years</b>				
Bank loans	35,280	46,800	35,280	46,800
<b>Amounts falling due after more than 5 years</b>				
Bank loans	18,240	-	18,240	-
	<b>80,400</b>	<i>71,428</i>	<b>80,400</b>	<i>70,600</i>

### 23. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	<b>Group 2016 £000</b>	<i>Group 2015 £000</i>	<b>Company 2016 £000</b>	<i>Company 2015 £000</i>
Within one year	4,344	7,436	4,344	7,436
Between 1-2 years	3,671	5,474	3,671	5,474
Between 2-5 years	23,341	25,600	23,341	25,600
	<b>31,356</b>	<i>38,510</i>	<b>31,356</b>	<i>38,510</i>

# BULKHAUL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

### 24. Financial instruments

	Group 2016 £000	Group 2015 £000	Company 2016 £000	Company 2015 £000
<b>Financial assets</b>				
Financial assets measured at fair value through profit or loss	5,431	12,636	4,768	12,086
Financial assets that are debt instruments measured at amortised cost	172,575	146,423	187,984	158,384
	<u>178,006</u>	<u>159,059</u>	<u>192,752</u>	<u>170,470</u>
<b>Financial liabilities</b>				
Financial liabilities measured at amortised cost	(115,486)	(102,756)	(115,465)	(101,906)
Derivative financial instruments designated as hedges of variable foreign exchange rate risk	(10,016)	-	(10,016)	-
	<u>(125,502)</u>	<u>(102,756)</u>	<u>(125,481)</u>	<u>(101,906)</u>

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand and foreign exchange derivative financial instruments.

Financial assets measured at amortised cost comprise trade debtors, amounts owed to group undertakings and other debtors.

Financial Liabilities measured at amortised cost comprise bank loans, trade creditors, amounts owed to group undertakings, other creditors and accruals and deferred income.

Derivative financial instruments designated as hedges of variable foreign exchange rate risk comprise foreign exchange forward contract derivatives.

The Group enters into forward foreign currency contracts to mitigate the exchange rate risk for certain foreign currency sales. At 30 June 2016, the outstanding contracts all mature within 30 months (2015: 30 months) of the year end. The Group is committed to sell USD's and Euro's and receive a fixed sterling amount.

The forward currency contracts are measured at fair value, which is determined using valuation techniques that utilise observable inputs. The key inputs used in valuing the derivatives are the forward exchange rates for GBP:USD and GBP:EUR. The fair value of the forward-foreign currency contracts is a liability of £10,016,401 (2015: £5,118,652 asset).

**BULKHAUL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

**25. Deferred taxation**

**Group**

	2016 £000	2015 £000
At 1 July 2015	(24,499)	(22,667)
Charged/(credited) to profit (see note 11)	1,627	(1,832)
Foreign exchange movement on property charged to other comprehensive income	1,738	-
Utilised in year	(1)	-
<b>At 30 June 2016</b>	<b>(21,135)</b>	<b>(24,499)</b>

**Company**

	2016 £000	2015 £000
At beginning of year	(24,494)	(22,661)
Charged to the profit or loss	1,627	(1,833)
Charged to other comprehensive income	1,738	-
<b>At 30 June 2016</b>	<b>(21,129)</b>	<b>(24,494)</b>

The provision for deferred taxation is made up as follows:

	<b>Group 2016 £000</b>	<i>Group 2015 £000</i>	<b>Company 2016 £000</b>	<i>Company 2015 £000</i>
Accelerated capital allowances	(22,040)	(23,480)	(22,040)	(23,480)
Short term timing differences	905	(1,019)	911	(1,014)
	<b>(21,135)</b>	<i>(24,499)</i>	<b>(21,129)</b>	<i>(24,494)</i>

**26. Called up share capital**

	2016 £000	2015 £000
<b>Shares classified as equity</b>		
<b>Authorised, allotted, called up and fully paid</b>		
25,000 ordinary shares of £1 each	<b>25</b>	<b>25</b>



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**BULKHAUL LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

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**27. Reserves****Revaluation reserve**

The revaluation reserve is in relation to the increase in fair value of a subsidiary owned building included in Property, plant and equipment which is also part Investment property and therefore carried at fair value.

**Other reserves**

The other reserves are for hedging reserves for movements in fair value of the foreign exchange rate derivatives held at the balance sheet date.

**Profit and loss account**

The profit and loss reserve takes account of retained earnings, profit for the year, dividends, changes to the fair value of investment property due to fluctuations in exchange rates and the transfer from hedge reserves of derivatives which have been cancelled and settled in the period.

**28. Capital commitments**

At 30 June 2016 the Group and Company had capital commitments as follows:

	<b>Group 2016 £000</b>	<i>Group 2015 £000</i>	<b>Company 2016 £000</b>	<i>Company 2015 £000</i>
Contracted for but not provided in these financial statements	<b>27,649</b>	<i>19,078</i>	<b>27,649</b>	<i>19,078</i>
	<b>27,649</b>	<i>19,078</i>	<b>27,649</b>	<i>19,078</i>

**29. Pension commitments**

The group operates a fully insured money purchase pension scheme. This is a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The group has no liability other than to pay the employer's contributions to these schemes. The total pension cost for the group was £790,131 (2015: £928,534). At 30 June 2016 amounts owing in respect of pension contributions was £14,225 (2015: £47,906).

**30. Commitments under operating leases**

The Group and the Company had no commitments under the non-cancellable operating leases as at the balance sheet date.

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<b>BULKHAUL LIMITED</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

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**31. Related party transactions**

The company has taken advantage of the exemptions available under Financial Reporting Standard (FRS 102 para 33.1) "Related Party Disclosures" from the requirement to disclose transactions with its parent and fellow subsidiary undertakings.

Other than as described in Note 18 and 20, there are no further related party transactions which fall to be disclosed under the Financial Reporting Standard (FRS 102 para 33.1).

The group considers all members of key management to be the directors, their remuneration is disclosed in note 8.

**32. Controlling party**

The directors regard Mr S Gibson, the chairman of the company, as the ultimate controlling party by virtue of his 75% interest in the equity of the immediate parent company, The Gibson O'Neill Company Limited.

**BULKHAUL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

**33. First time adoption of FRS 102**

**Group**

	<i>As previously stated 1 July 2014 £000</i>	<i>Effect of transition 1 July 2014 £000</i>	<b>FRS 102 (as restated) 1 July 2014 £000</b>	<i>As previously stated 30 June 2015 £000</i>	<i>Effect of transition 30 June 2015 £000</i>	<b>FRS 102 (as restated) 30 June 2015 £000</b>
Fixed assets	199,708	8,608	208,316	212,206	8,898	221,104
Current assets	151,701	-	151,701	155,993	5,119	161,112
Creditors: amounts falling due within one year	(58,429)	(140)	(58,569)	(63,318)	-	(63,318)
<b>Net current assets</b>	<b>93,272</b>	<b>(140)</b>	<b>93,132</b>	<b>92,675</b>	<b>5,119</b>	<b>97,794</b>
<b>Total assets less current liabilities</b>	<b>292,980</b>	<b>8,468</b>	<b>301,448</b>	<b>304,881</b>	<b>14,017</b>	<b>318,898</b>
Creditors: amounts falling due after more than one year	(102,870)	-	(102,870)	(86,274)	-	(86,274)
Provisions for liabilities	(22,667)	-	(22,667)	(23,476)	(1,023)	(24,499)
<b>Net assets</b>	<b>167,443</b>	<b>8,468</b>	<b>175,911</b>	<b>195,131</b>	<b>12,994</b>	<b>208,125</b>
Capital and reserves	167,443	8,468	175,911	195,131	12,994	208,125

**BULKHAUL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

**33. First time adoption of FRS 102 (continued)**

	<i>As previously stated 30 June 2015 £000</i>	<i>Effect of transition 30 June 2015 £000</i>	<b>FRS 102 (as restated) 30 June 2015 £000</b>
Turnover	164,676	-	164,676
Cost of sales	(93,750)	-	(93,750)
<b>Gross Profit</b>	<b>70,926</b>	<b>-</b>	<b>70,926</b>
Administrative expenses	(31,013)	-	(31,013)
<b>Operating profit</b>	<b>39,913</b>	<b>-</b>	<b>39,913</b>
Interest receivable and similar income	9	-	9
Interest payable and similar charges	(4,188)	-	(4,188)
Taxation	(7,003)	(1,024)	(8,027)
<b>Profit on ordinary activities after taxation and for the financial year</b>	<b>28,731</b>	<b>(1,024)</b>	<b>27,707</b>

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**BULKHAUL LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

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**33. First time adoption of FRS 102 (continued)**

This is the first year that the Company has presented its results under FRS 102. The last financial statements prepared under the previous UK GAAP were for the year ended 30 June 2015. The date of transition to FRS 102 was 1 July 2014.

Explanation of changes to previously reported profit and equity:

On transition to FRS 102 a property residing in the Singapore business was reclassified as part investment property and therefore revalued to fair value. This has previously been held at depreciated cost. This resulted in a movement in opening equity totalling £8,608,201 (£4,084,506 as investment property and £4,523,695 under tangible fixed assets - buildings)

FRS 102 requires derivative financial instruments to be recognised at fair value. Previously under UKGAAP the Company did not recognise these instruments in the financial statements. On transition to FRS 102 the Company has recognised forward currency contracts at fair value and accounted for them as a cash flow hedge. Accordingly current liabilities of £140,131 in the 2014 opening balance sheet and a Current asset of £5,118,652 in 2015 was recognised. This has resulted in an increased deferred tax liability of £1,023,700 as at 30 June 2015. Also a profit of £5,258,783 was recognised in other comprehensive income for the year ended 30 June 2015.

In addition to the transition adjustments identified above the classification of the intercompany loans have been restated from non-current to current in the financial statements through a prior year restatement. This has resulted in £115,846,586 of intercompany debtors being reclassified as current assets.

**BULKHAUL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

**33. First time adoption of FRS 102 (continued)**

**Company**

	<i>As previously stated 1 July 2014 £000</i>	<i>Effect of transition 1 July 2014 £000</i>	<b>FRS 102 (as restated) 1 July 2014 £000</b>	<i>As previously stated 30 June 2015 £000</i>	<i>Effect of transition 30 June 2015 £000</i>	<b>FRS 102 (as restated) 30 June 2015 £000</b>
Fixed assets	191,430	-	191,430	197,716	-	197,716
Current assets	157,203	-	157,203	167,217	5,119	172,336
Creditors: amounts falling due within one year	(58,010)	(140)	(58,150)	(62,767)	-	(62,767)
<b>Net current assets</b>	<b>99,193</b>	<b>(140)</b>	<b>99,053</b>	<b>104,450</b>	<b>5,119</b>	<b>109,569</b>
<b>Total assets less current liabilities</b>	<b>290,623</b>	<b>(140)</b>	<b>290,483</b>	<b>302,166</b>	<b>5,119</b>	<b>307,285</b>
Creditors: amounts falling due after more than one year	(102,109)	-	(102,109)	(86,274)	-	(86,274)
Provisions for liabilities	(22,661)	-	(22,661)	(23,470)	(1,024)	(24,494)
<b>Net assets</b>	<b>165,853</b>	<b>(140)</b>	<b>165,713</b>	<b>192,422</b>	<b>4,095</b>	<b>196,517</b>
Capital and reserves	165,853	(140)	165,713	192,422	4,095	196,517

**BULKHAUL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

**33. First time adoption of FRS 102 (continued)**

	<i>As previously stated 30 June 2015 £000</i>	<i>Effect of transition 30 June 2015 £000</i>	<b>FRS 102 (as restated) 30 June 2015 £000</b>
Turnover	164,663	-	164,663
Cost of sales	(93,750)	-	(93,750)
<b>Gross Profit</b>	<b>70,913</b>	<b>-</b>	<b>70,913</b>
Administrative expenses	(32,308)	-	(32,308)
<b>Operating profit</b>	<b>38,605</b>	<b>-</b>	<b>38,605</b>
Interest receivable and similar income	(10)	-	(10)
Interest payable and similar charges	(4,170)	-	(4,170)
Taxation	(6,815)	(1,024)	(7,839)
<b>Profit on ordinary activities after taxation and for the financial year</b>	<b>27,610</b>	<b>(1,024)</b>	<b>26,586</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

**33. First time adoption of FRS 102 (continued)**

This is the first year that the Company has presented its results under FRS 102. The last financial statements prepared under the previous UK GAAP were for the year ended 30 June 2015. The date of transition to FRS 102 was 1 July 2014.

Explanation of changes to previously reported profit and equity:

FRS 102 requires derivative financial instruments to be recognised at fair value. Previously under UKGAAP the Company did not recognise these instruments in the financial statements. On transition to FRS 102 the Company has recognised forward currency contracts at fair value and accounted for them as a cash flow hedge. Accordingly current liabilities of £140,131 in the 2014 opening balance sheet and a Current asset of £5,118,652 in 2015 was recognised. This has resulted in an increased deferred tax liability of £1,023,700 as at 30 June 2015. Also a profit of £5,258,783 was recognised in other comprehensive income for the year ended 30 June 2015.

In addition to the transition adjustments identified above the classification of the intercompany loans have been restated from non-current to current in the financial statements through a prior year restatement. This has resulted in £115,846,586 of intercompany debtors being reclassified as current assets.