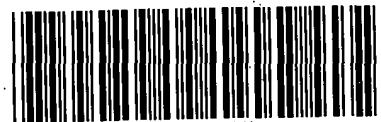


BULKHAUL LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

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BULKHAUL LIMITED

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BULKHAUL LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2015

The directors present their report and the audited consolidated financial statements for the year ended 30 June 2015.

Directors' responsibilities statement

The directors are responsible for preparing the Group 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 company and group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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.

Dividends

Ordinary shares : Interim dividend paid of £41.60 per share amounting to £1,040,000. (2014: £135.60 per share amounting to £3,390,000).

No final dividend was proposed.

Directors

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

S Gibson
M O'Neill
T Jackson
J G Trenholm

Charitable donations

The donations made by the group during the year for charitable purposes amounted to £42,259 (2014: £31,284). The charities provide activities for under privileged children and funding to other local Tees Valley charities and national organisations.

BULKHAUL LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2015**

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.

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

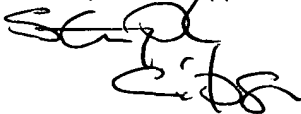
Included in the Strategic report is the Financial risk management.

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.

This report was approved by the board on 8 December 2015 and signed on its behalf.



S Gibson
Director

BULKHAUL LIMITED

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2015**

Business review

The results for the financial year show a profit on ordinary activities before taxation of £35,733,249 (2014: £31,555,991 and turnover of £164,675,918 (2014: £170,974,111). The group has net assets of £195,132,264 (2014: £167,441,998).

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.

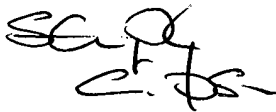
BULKHAUL LIMITED

**GROUP STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 30 JUNE 2015**

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 8 December 2015 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**

BULKHAUL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BULKHAUL LIMITED

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 2015 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, comprise:

- the Consolidated and Company Balance Sheets as at 30 June 2015;
- the Consolidated Profit and Loss Account for the year then ended;
- the Consolidated Cash Flow Statement and reconciliation of net cash flow to movement in net funds/debt 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 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.

BULKHAUL LIMITED

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 set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK and 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

8 December 2015

BULKHAUL LIMITED

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2015**

	Note	2015 £	2014 £
Turnover	2	164,675,918	170,974,111
Cost of sales		<u>(93,750,073)</u>	<u>(96,863,628)</u>
Gross profit		70,925,845	74,110,483
Administrative expenses	3	<u>(31,013,311)</u>	<u>(34,970,712)</u>
Operating profit	8	39,912,534	39,139,771
Other Interest receivable and similar income	6	8,979	10,904
Interest payable and similar charges	7	<u>(4,188,264)</u>	<u>(7,594,684)</u>
Profit on ordinary activities before taxation		35,733,249	31,555,991
Tax on profit on ordinary activities	10	<u>(7,002,983)</u>	<u>(2,329,724)</u>
Profit for the financial year	21	<u>28,730,266</u>	<u>29,226,267</u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2015 or 2014 other than those included in the Profit and loss account.

There are no material differences between the profit on ordinary activities before taxation and the retained profit for the financial year stated above and their historical cost equivalents.

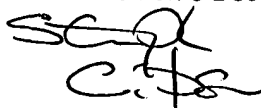
The notes on pages 11 to 28 form part of these financial statements.

BULKHAUL LIMITED
REGISTERED NUMBER: 1603021

CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2015

	Note	£	2015 £	£	2014 £
Fixed assets					
Tangible assets	12		212,204,432		199,707,525
Current assets					
Stocks	15	814,870		754,370	
Debtors: amounts falling due after more than one year	16	115,846,586		107,924,438	
Debtors: amounts falling due within one year	16	31,814,881		33,725,245	
Cash at bank and in hand		7,516,947		9,296,758	
		<u>155,993,284</u>		<u>151,700,811</u>	
Creditors: amounts falling due within one year	17	<u>(63,315,962)</u>		<u>(58,429,083)</u>	
Net current assets			<u>92,677,322</u>		<u>93,271,728</u>
Total assets less current liabilities			<u>304,881,754</u>		<u>292,979,253</u>
Creditors: amounts falling due after more than one year	18		<u>(86,273,884)</u>		<u>(102,869,839)</u>
Provisions for liabilities					
Deferred tax	19		<u>(23,475,606)</u>		<u>(22,667,416)</u>
Net assets			<u>195,132,264</u>		<u>167,441,998</u>
Capital and reserves					
Called up share capital	20		25,000		25,000
Capital redemption reserve	21		440		440
Profit and loss account	21		<u>195,106,824</u>		<u>167,416,558</u>
Total shareholders' funds	22		<u>195,132,264</u>		<u>167,441,998</u>

The financial statements on pages 7 to 28 were approved and authorised for issue by the board and were signed on its behalf on 8 December 2015.



S Gibson
Director

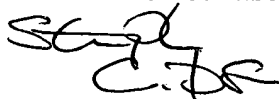
The notes on pages 11 to 28 form part of these financial statements.

BULKHAUL LIMITED
REGISTERED NUMBER: 1603021

COMPANY BALANCE SHEET
AS AT 30 JUNE 2015

	Note	£	2015 £	£	2014 £
Fixed assets					
Tangible assets	12		185,750,312		179,466,043
Investments	13		11,963,582		11,963,582
			197,713,894		191,429,625
Current assets					
Stocks	15	743,680		676,382	
Debtors: amounts falling due after more than one year	16	115,846,586		107,924,438	
Debtors: amounts falling due within one year	16	43,660,926		39,777,288	
Cash at bank and in hand		6,967,058		8,824,502	
		167,218,250		157,202,610	
Creditors: amounts falling due within one year	17	(62,766,841)		(58,010,183)	
Net current assets			104,451,409		99,192,427
Total assets less current liabilities			302,165,303		290,622,052
Creditors: amounts falling due after more than one year	18		(86,273,884)		(102,109,444)
Provisions for liabilities					
Deferred tax	19		(23,469,931)		(22,661,083)
Net assets			192,421,488		165,851,525
Capital and reserves					
Called up share capital	20		25,000		25,000
Profit and loss account	21		192,396,488		165,826,525
Total shareholders' funds	22		192,421,488		165,851,525

The financial statements on pages 7 to 28 were approved and authorised for issue by the board and were signed on its behalf on 8 December 2015.



S Gibson
Director

The notes on pages 11 to 28 form part of these financial statements.

BULKHAUL LIMITED

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2015**

	Note	2015 £	2014 £
Net cash flow from operating activities	24	38,909,899	29,558,037
Returns on investments and servicing of finance	25	(4,250,046)	(6,957,437)
Taxation	25	(713,803)	(529,132)
Capital expenditure and financial investment	25	(21,340,454)	(14,187,637)
Equity dividends paid		(1,040,000)	(3,390,000)
Cash inflow before financing		11,565,596	4,493,831
Financing	25	(13,345,407)	3,684,835
(Decrease)/Increase in cash in the year		(1,779,811)	8,178,666

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE YEAR ENDED 30 JUNE 2015**

	2015 £	2014 £
(Decrease)/Increase in cash in the year	(1,779,811)	8,178,666
Cash outflow/(inflow) from decrease/(increase) in debt and lease financing	13,345,407	(3,684,835)
Movement in net debt in the year	11,565,596	4,493,831
Net debt at 1 July 2014	(113,985,884)	(118,479,715)
Net debt at 30 June 2015	(102,420,288)	(113,985,884)

The notes on pages 11 to 28 form part of these financial statements.

BULKHAUL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

1. Accounting policies

1.1 Basis of accounting

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

1.2 Basis of consolidation

The consolidated financial statements include the results of the company, Bulkhaul Limited and all of its subsidiary undertakings ('subsidiaries'). Intra group sales and profits are eliminated fully on consolidation.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

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 - 15 years

Freehold land is not depreciated

1.4 Operating leases, hire purchase and finance lease agreements

Costs in respect of operating leases are charged on a straight line basis over the lease term. Leasing agreements which transfer to the group substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital element of the leasing commitments is shown as hire purchase and finance lease obligations. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against profit so as to give a constant periodic rate of charge on the remaining balance outstanding at each accounting year. Assets held under hire purchase and finance lease agreements are depreciated over the useful lives of the assets.

1.5 Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is determined on a first-in first-out basis, and includes all direct costs incurred and attributable production overheads. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for obsolete, slow moving and defective stocks.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

1. Accounting policies (continued)

1.6 Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet, except for certain exemptions which under Financial Reporting Standard 19 should not be recognised.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on a non-discounted basis at the average tax rates that are expected to apply in the period in which timing differences reverse, based on taxation rates and law enacted or substantively enacted at the balance sheet date.

1.7 Foreign currencies

Monetary assets and liabilities expressed in foreign currencies are translated into sterling at rates of exchange ruling at the date of the balance sheet or at the agreed contractual rate. Transactions in foreign currency are converted to sterling at the rate ruling at the date of the transaction. All differences on exchange are taken to the profit and loss account.

Where overseas subsidiaries act as selling agents for the company the financial statements are translated to sterling on the following basis:

(a) Fixed assets are translated into sterling at the rates ruling on the date of acquisition as adjusted for any profits or losses from related financial instruments.

(b) Monetary assets and liabilities denominated in a foreign currency are translated into sterling at the foreign exchange rates ruling at the balance sheet date or at the agreed contractual rate.

(c) Revenue and expenses in foreign currencies are recorded in sterling at the rates ruling at the dates of the transactions.

(d) Any gains or losses arising on translation are reported as part of profit.

All other exchange differences are dealt with in the profit and loss account.

1.8 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

1.9 Turnover

Turnover represents amounts invoiced for services supplied in the normal course of business, excluding value added tax and trade discounts. Turnover is recognised at the point of delivery.

1.10 Investments

Investments are stated at cost less provision for impairment.

BULKHAUL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

1. Accounting policies (continued)

1.11 Financial instruments

The group uses derivative financial instruments to hedge its exposure to fluctuations in foreign exchange rates. The instruments used to hedge future exposures are forward currency contracts.

Gains and losses on foreign currency hedges are recognised on maturity of the underlying transactions.

2. Turnover

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.

3. Administrative expenses

	2015 £	2014 £
Administrative expenses	<u>31,013,311</u>	<u>34,970,712</u>

4. Directors' remuneration

The remuneration paid to the directors of Bulkhaul Limited was:

	2015 £	2014 £
Fees for management services	<u>631,502</u>	<u>2,065,604</u>
Contributions to money purchase pension schemes	<u>159,416</u>	<u>219,416</u>

During the year retirement benefits were accruing to 3 directors (2014 - 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £388,110 (2014 - £1,560,231).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £39,416 (2014 - £39,416).

BULKHAUL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

5. Staff costs

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

	2015 £	2014 £
Wages and salaries	12,816,817	12,586,575
Social security costs	1,517,786	1,454,988
Other pension costs	928,534	929,167
	<u>15,263,137</u>	<u>14,970,730</u>

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

	2015 No.	2014 No.
Office and management	267	259
Drivers and mechanics	153	151
	<u>420</u>	<u>410</u>

6. Other Interest receivable and similar income

	2015 £	2014 £
Bank interest receivable	8,979	10,904
	<u>8,979</u>	<u>10,904</u>

7. Interest payable and similar charges

	2015 £	2014 £
On bank loans and overdrafts	2,744,924	6,485,890
On finance leases and hire purchase contracts	1,443,340	1,108,794
	<u>4,188,264</u>	<u>7,594,684</u>

BULKHAUL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

8. Operating profit

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

	2015 £	2014 £
Depreciation of tangible fixed assets:		
- owned by the group	6,667,846	6,440,168
- held under finance leases	2,319,269	2,330,265
Operating lease rentals:		
- plant and machinery	(4,288)	17,530
Difference on foreign exchange	(980,648)	1,754,371
Profit on sale of tangible assets	(143,568)	(48,048)
	<u> </u>	<u> </u>

9. Auditors' remuneration

	2015 £	2014 £
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	43,800	43,800
Fees payable to the company's auditor and its associates in respect of:		
Other services relating to taxation	102,309	27,900
	<u> </u>	<u> </u>

10. Tax on profit on ordinary activities

	2015 £	2014 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	6,001,586	4,543,949
Adjustments in respect of prior periods	4,463	(154,151)
	<u>6,006,049</u>	<u>4,389,798</u>
Foreign tax on income for the year	188,814	153,627
	<u>6,194,863</u>	<u>4,543,425</u>
Total current tax		
Deferred tax (see note 19)		
Origination and reversal of timing differences	808,120	(2,213,701)
	<u>7,002,983</u>	<u>2,329,724</u>
Tax on profit on ordinary activities		

BULKHAUL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

10. Tax on profit on ordinary activities (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2014 - *lower than*) the standard rate of corporation tax in the UK of 20.75% (2014 - 22.50%). The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	35,733,249	31,555,991
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.75% (2014 - 22.50%)	7,414,649	7,100,098
Effects of:		
Expenses not deductible for tax purposes	113,698	121,034
Accelerated capital allowances and other timing differences	(851,037)	(526,526)
(Lower)/Higher rate taxes on overseas earnings	(82,686)	(89,815)
Adjustments to tax charge in respect of prior periods	4,463	(154,151)
Short term timing difference leading to an increase (decrease) in taxation	(3,534)	(492,789)
Non-taxable income	-	(618,788)
Group relief	(400,690)	(795,638)
Current tax charge for the year (see note above)	6,194,863	4,543,425

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 an effective rate of 20.75%.

11. Profit for the financial year

As permitted by s408 of the Companies Act 2006, the holding company's profit and loss account has not been included in these financial statements. The holding company's profit for the financial year was £27,609,962 (2014: £28,298,607).

BULKHAUL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

12. Tangible assets

Group	Long leasehold land and freehold land and buildings £	Commercial vehicles and tanks £	Motor vehicles £	Fixtures and fittings £	Total £
Cost					
At 1 July 2014	40,368,395	262,970,012	1,470,657	4,645,448	309,454,512
Additions	6,566,498	14,368,531	293,629	608,010	21,836,668
Disposals	-	(513,057)	(611,102)	(148,847)	(1,273,006)
At 30 June 2015	<u>46,934,893</u>	<u>276,825,486</u>	<u>1,153,184</u>	<u>5,104,611</u>	<u>330,018,174</u>
Accumulated Depreciation					
At 1 July 2014	6,786,413	98,178,911	1,024,625	3,757,038	109,746,987
Charge for the year	778,601	7,623,495	169,068	415,951	8,987,115
On disposals	-	(298,540)	(599,732)	(22,088)	(920,360)
At 30 June 2015	<u>7,565,014</u>	<u>105,503,866</u>	<u>593,961</u>	<u>4,150,901</u>	<u>117,813,742</u>
Net book amount					
At 30 June 2015	<u>39,369,879</u>	<u>171,321,620</u>	<u>559,223</u>	<u>953,710</u>	<u>212,204,432</u>
At 30 June 2014	<u>33,581,982</u>	<u>164,791,101</u>	<u>446,032</u>	<u>888,410</u>	<u>199,707,525</u>

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

Group	2015 £	2014 £
Commercial vehicles and tanks	<u>57,258,002</u>	<u>59,098,562</u>

Long leasehold land and freehold land and buildings includes long leasehold land with a net book amount of £252,032 (2014: £254,617) and freehold land and buildings with a net book amount of £39,117,847 (2014: £33,327,368).

BULKHAUL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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Company	Long leasehold land and freehold land and buildings £	Commercial vehicles and tanks £	Motor vehicles £	Fixtures and fittings £	Total £
Cost					
At 1 July 2014	16,728,230	262,970,012	1,153,728	2,855,587	283,707,557
Additions	-	14,368,531	263,744	268,331	14,900,606
Disposals	-	(513,057)	(580,096)	(5,750)	(1,098,903)
At 30 June 2015	16,728,230	276,825,486	837,376	3,118,168	297,509,260
Accumulated Depreciation					
At 1 July 2014	3,017,735	98,178,911	843,068	2,201,800	104,241,514
Charge for the year	376,633	7,623,495	123,451	278,240	8,401,819
On disposals	-	(298,540)	(580,095)	(5,750)	(884,385)
At 30 June 2015	3,394,368	105,503,866	386,424	2,474,290	111,758,948
Net book amount					
At 30 June 2015	13,333,862	171,321,620	450,952	643,878	185,750,312
At 30 June 2014	13,710,495	164,791,101	310,660	653,787	179,466,043

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

Company	2015 £	2014 £
Commercial vehicles and tanks	57,258,002	59,098,562

Long leasehold land and freehold land and buildings includes long leasehold land with a net book amount of £252,032 (2014: £254,617) and freehold land and buildings with a net book amount of £13,081,830 (2014: £13,455,878).

BULKHAUL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

13. Investments

Company	Investments in group undertaking £
Cost or valuation	
At 1 July 2014 and 30 June 2015	11,963,582
Net book value	
At 30 June 2015	11,963,582
At 30 June 2014	11,963,582

14. Interests in group undertakings

Name of undertaking	Country of incorporation or registration	Percentage Shareholding	Principal activities
Held by the company:			
Bulkhaul International Limited	England and Wales	100	Holding company
Bulkhaul Belgium NV	Belgium	100	Tank container services
Bulkhaul (Italia) SRL	Italy	100	Not trading
Bulkhaul (Singapore) PTE Limited	Singapore	100	Tank container services
Bulkhaul Korea Co Ltd	Korea	100	Tank container services
Bulkhaul Japan KK	Japan	100	Tank container services
Bulkhaul Brasil Ltd	Brazil	100	Tank container services
Held by subsidiaries:			
Bulkhaul (Germany) GmbH	Germany	100	Tank container services
Bulkhaul (USA) Incorporated	USA	100	Tank container services

The directors believe that the carrying value of investments is supported by their underlying net assets.

BULKHAUL LIMITED

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FOR THE YEAR ENDED 30 JUNE 2015**

15. Stocks

	<u>Group</u>		<u>Company</u>	
	2015	2014	2015	2014
	£	£	£	£
Raw materials and consumables	814,870	754,370	743,680	676,382

16. Debtors

	<u>Group</u>		<u>Company</u>	
	2015	2014	2015	2014
	£	£	£	£
Amounts falling due after more than one year				
Amounts owed by group undertakings	115,846,586	107,924,438	115,846,586	107,924,438

	<u>Group</u>		<u>Company</u>	
	2015	2014	2015	2014
	£	£	£	£
Amounts falling due within one year				
Trade debtors	27,240,522	28,454,321	27,240,522	28,454,321
Amounts owed by group undertakings	2,138,820	2,085,978	14,233,745	8,413,383
Other debtors	1,196,955	1,102,919	1,063,332	951,967
Prepayments and accrued income	1,238,584	2,082,027	1,123,327	1,957,617
	31,814,881	33,725,245	43,660,926	39,777,288

At 30 June 2015, a loan to T Jackson, a director of the company, amounting to £243,307 (2014: £162,152) was outstanding. The loan was interest free, and the maximum amount outstanding during the year was £243,307 (2014: £358,706).

At 30 June 2015, a loan to S M Coleby, a director of the company (resigned 3 October 2013), amounting to £nil (2014: £nil) was outstanding. The loan was interest free, and the maximum amount outstanding during the year was £nil (2014: £184,637).

At 30 June 2015, a loan to J G Trenholm, a director of the company, amounting to £260,526 (2014: £144,900) was outstanding. The loan was interest free, and the maximum amount outstanding during the year was £260,526 (2014: £254,168).

All of the above loans are in contravention of the Companies Act 2006

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

BULKHAUL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

**17. Creditors:
Amounts falling due within one year**

	<u>Group</u>		<u>Company</u>	
	2015	2014	2015	2014
	£	£	£	£
Bank loans and overdrafts	16,227,791	13,160,417	15,400,000	12,400,000
Hire purchase and finance lease obligations	7,435,560	7,252,386	7,435,560	7,252,386
Trade creditors	7,838,337	8,101,495	7,763,893	7,913,905
Amounts owed to group undertakings	1,561,584	3,968,149	2,918,750	5,264,967
Corporation tax	8,273,063	4,666,091	8,273,063	4,666,091
Other taxation and social security	51,051	85,623	352,157	305,906
Overseas taxation payable	85,312	62,909	-	-
Other creditors	3,371,370	3,197,474	2,480,170	2,549,323
Accruals and deferred income	18,471,894	17,934,539	18,143,248	17,657,605
	<u>63,315,962</u>	<u>58,429,083</u>	<u>62,766,841</u>	<u>58,010,183</u>

Amounts owed to group undertakings are unsecured, interest free and have no fixed date of repayment.

At 30 June 2015, a loan owed to M O'Neill, a director of the company, amounting to £423,771 (2014: £697,536) was outstanding within Other creditors.

**18. Creditors:
Amounts falling due after more than one year**

	<u>Group</u>		<u>Company</u>	
	2015	2014	2015	2014
	£	£	£	£
Bank loans	55,200,000	64,360,395	55,200,000	63,600,000
Hire purchase and finance lease obligations	31,073,884	38,509,444	31,073,884	38,509,444
	<u>86,273,884</u>	<u>102,869,839</u>	<u>86,273,884</u>	<u>102,109,444</u>

BULKHAUL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

18. Creditors:
Amounts falling due after more than one year (continued)

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	<u>Group</u>		<u>Company</u>	
	2015	2014	2015	2014
	£	£	£	£
Between one and five years	31,073,884	38,509,444	31,073,884	38,509,444

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% and variable rates of between 0.75% and 10% above the base rate.

Bank loans and overdrafts

	<u>Group</u>		<u>Company</u>	
	2015	2014	2015	2014
	£	£	£	£
One year or less or on demand	16,227,791	13,160,417	15,400,000	12,400,000
Between one and two years	8,400,000	9,160,395	8,400,000	8,400,000
Between two and five years	46,800,000	55,200,000	46,800,000	55,200,000
More than five years	-	-	-	-
Total	71,427,791	77,520,812	70,600,000	76,000,000

19. Provision for liabilities : deferred taxation

	<u>Group</u>		<u>Company</u>	
	2015	2014	2015	2014
	£	£	£	£
At beginning of year	22,667,416	24,881,729	22,661,083	24,875,398
Amount debited to profit and loss account	808,120	(2,213,701)	808,848	(2,214,315)
Other movement through profit and loss	70	(612)	-	-
At end of year	23,475,606	22,667,416	23,469,931	22,661,083

BULKHAUL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

19. Provision for liabilities : deferred taxation (continued)

The provision for deferred taxation is made up as follows:

	<u>Group</u>		<u>Company</u>	
	2015	2014	2015	2014
	£	£	£	£
Excess of capital allowances over depreciation	23,479,513	22,674,305	23,479,513	22,674,305
Short term timing differences	(3,907)	(6,889)	(9,582)	(13,222)
	<u>23,475,606</u>	<u>22,667,416</u>	<u>23,469,931</u>	<u>22,661,083</u>

The liabilities not recognised for deferred taxation are:

	<u>Group</u>		<u>Company</u>	
	2015	2014	2015	2014
	£	£	£	£
Capital gains	490,548	564,257	490,548	564,257

A number of changes to the UK Corporation Tax system were substantially enacted as part of the Finance Bill 2013 on 2 July 2013. 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 an effective rate of 20.75%.

Two further reductions to the main rate were substantially enacted as part of the Finance Bill 2015 on 26 October 2015. These will reduce the main rate to 19% from 1 April 2017, and then to 18% from 1 April 2020.

BULKHAUL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

20. Called up share capital
Group and company

	2015 £	2014 £
Authorised, allotted, called up and fully paid		
25,000 ordinary shares of £1 each	<u>25,000</u>	<u>25,000</u>

21. Reserves

Group	Capital redemption reserve £	Profit and loss account £
At 1 July 2014	440	167,416,558
Profit for the financial year		28,730,266
Dividends		(1,040,000)
At 30 June 2015	<u>440</u>	<u>195,106,824</u>

Company	Profit and loss account £
At 1 July 2014	165,826,525
Profit for the financial year	27,609,963
Dividends	(1,040,000)
At 30 June 2015	<u>192,396,488</u>

BULKHAUL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

22. Reconciliation of movements in shareholders' funds

Group	2015 £	2014 £
Opening shareholders' funds	167,441,998	141,605,731
Profit for the financial year	28,730,266	29,226,267
Dividends (Note 23)	(1,040,000)	(3,390,000)
	<u>195,132,264</u>	<u>167,441,998</u>
Closing shareholders' funds		

Company	2015 £	2014 £
Opening shareholders' funds	165,851,525	140,942,919
Profit for the financial year	27,609,963	28,298,606
Dividends (Note 23)	(1,040,000)	(3,390,000)
	<u>192,421,488</u>	<u>165,851,525</u>
Closing shareholders' funds		

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Profit and loss account.

The profit for the financial year dealt with in the financial statements of the company was £27,609,963 (2014 - £28,298,606).

23. Dividends

	2015 £	2014 £
Ordinary shares		
Interim paid of £41.60 per share (2014: £135.60 per share)	<u>1,040,000</u>	<u>3,390,000</u>

No final dividend was proposed.

BULKHAUL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

24. Net cash flow from operating activities

	2015 £	2014 £
Operating profit	39,912,534	39,139,771
Depreciation of tangible fixed assets	8,987,115	8,770,433
Profit on disposal of tangible fixed assets	(143,568)	(48,048)
Increase in stocks	(60,500)	(12,512)
Decrease in debtors	1,963,206	5,738,965
Increase in amounts owed by group undertakings	(7,974,990)	(4,187,984)
Decrease in creditors	(1,367,333)	(13,826,520)
Decrease in amounts owed to group undertakings	(2,406,565)	(6,016,068)
Net cash inflow from operating activities	38,909,899	29,558,037

25. Analysis of cash flows for headings netted in cash flow statement

	2015 £	2014 £
Returns on investments and servicing of finance		
Interest received	8,802	10,869
Interest paid	(2,795,851)	(6,233,269)
Hire purchase interest	(1,462,997)	(735,037)
Net cash outflow from returns on investments and servicing of finance	(4,250,046)	(6,957,437)

	2015 £	2014 £
Taxation		
Corporation tax	(550,000)	(370,838)
Net overseas tax paid	(163,803)	(158,294)
Net cash outflow from taxation	(713,803)	(529,132)

	2015 £	2014 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(21,836,668)	(14,432,807)
Sale of tangible fixed assets	496,214	245,170
Net cash outflow from capital expenditure	(21,340,454)	(14,187,637)

BULKHAUL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

25. Analysis of cash flows for headings netted in cash flow statement (continued)

	2015 £	2014 £
Financing		
Loans received	6,000,000	86,500,000
Repayment of loans	(12,093,021)	(111,924,738)
(Repayment of)/new finance leases	(7,252,386)	40,100,000
Payment of principal under finance leases	-	(10,990,427)
Net cash (outflow)/inflow from financing	(13,345,407)	3,684,835

26. Analysis of changes in net debt

	1 July 2014 £	Cash flow £	Other non-cash changes £	30 June 2015 £
Cash at bank and in hand	9,296,758	(1,779,811)	-	7,516,947
Debt:				
Finance leases	(45,761,830)	7,252,386	-	(38,509,444)
Debts due within one year	(13,160,417)	6,093,021	(9,160,395)	(16,227,791)
Debts falling due after more than one year	(64,360,395)	-	9,160,395	(55,200,000)
Net debt	(113,985,884)	11,565,596	-	(102,420,288)

27. Capital commitments

At 30 June 2015 the group and company had capital commitments as follows:

	<u>Group</u>		<u>Company</u>	
	2015	2014	2015	2014
	£	£	£	£
Capital expenditure that has been contracted for but has not been provided for in the financial statements	19,077,889	29,871,085	19,077,889	29,871,085

28. Pension commitments

The group operates two fully insured money purchase pension schemes. These are defined contribution pension schemes. The group has no liability other than to pay the employer's contributions to these schemes. The total pension cost for the group was £928,534 (2014: £929,167). At 30 June 2015 amounts owing in respect of pension contributions was £47,906 (2014: £66,108)

BULKHAUL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

29. Financial commitments

At 30 June 2015 the group and company had no annual commitments under non-cancellable operating leases (2014: £Nil).

30. Financial instruments

Fair value

	2015 £	2014 £
Forward currency transactions	5,118,652	57,693
Interest rate hedges	-	(197,824)

Interest rate swaps are derivative financial instruments held to hedge the interest rate risk of £nil (2014 : £68.8 million) of the loan debt.

Forward currency transactions are derivative financial instruments held to hedge the currency exposure on future foreign currency transactions.

31. Ultimate parent undertaking and controlling party

The directors regard The Gibson O'Neill Company Limited, as the ultimate parent undertaking, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of The Gibson O'Neill Company Limited's consolidated financial statements may be obtained from the company secretary, The Gibson O'Neill Company Limited, Brignell Road, Riverside Park Industrial Estate, Middlesbrough, TS2 1PS.

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 capital of The Gibson O'Neill Company Limited.

32. Related party transactions

The company has taken advantage of the exemptions available under Financial Reporting Standard Number. 8 "Related Party Disclosures" from the requirement to disclose transactions with its parent and fellow subsidiary undertakings.

Other than as described in Note 17, there are no further related party transactions which fall to be disclosed under Financial Reporting Standard Number. 8.

33. Contingent liabilities

At 30 June 2015, Bulkhaul Limited has guaranteed bank and other borrowings of other group undertakings amounting to £827,794 (2014: £1,520,810).