

**A.B.E. (Ledbury) Limited**

Report and Financial Statements

Period Ended

30 June 2017

Company Number 02397136



# A.B.E. (Ledbury) Limited

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## Company Information

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|-----------------------------|--|
| <b>Directors</b>            | G Baker<br>C Brooks<br>G Leitch  |
| <b>Company secretary</b>    | M McColl   |
| <b>Registered number</b>    | 02397136   |
| <b>Registered office</b>    | The Palletline Centre<br>Starley Way<br>Birmingham<br>West Midlands<br>B37 7HB |
| <b>Independent auditors</b> | BDO LLP<br>Two Snowhill<br>Birmingham<br>B4 6GA                                |

# **A.B.E. (Ledbury) Limited**

## **Directors' Report For the 15 Month Period Ended 30 June 2017**

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The Directors present their report together with the audited financial statements for the 15 month period ended 30 June 2017. The comparative figures cover the year to 31 March 2016.

### **Principal activity**

The Company's principal activity is the distribution of palletised goods throughout the UK, with particular focus on Herefordshire and Worcestershire.

### **Results and dividends**

The profit for the 15 month period, after taxation, amounted to £385,497 (year ended 31 March 2016 - £443,753).

The Directors do not recommend the payment of a dividend (year ended 31 March 2016 - £30,000).

### **Directors**

The Directors who served during the 15 month period were:

G Baker (appointed 2 February 2017)  
C Brooks (appointed 2 February 2017)  
G Leitch (appointed 2 February 2017)  
A P K Boyle (resigned 2 February 2017)  
J E Boyle (resigned 2 February 2017)

### **Financial instruments**

The Company does not actively use financial instruments as part of its day to day financial risk management. It is exposed to the usual credit risk and cash flow risk associated with selling on credit and manages this through credit control procedures. Fixed assets and working capital are principally financed from retained profit, cash reserves and inter-group loans.

The Company is not exposed to a significant exchange rate risk as it sells and purchases in Sterling and the operations are based within the United Kingdom.

# A.B.E. (Ledbury) Limited

## Directors' Report (continued) For the 15 Month Period Ended 30 June 2017

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### Directors' responsibilities statement

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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 of the profit or loss of the Company for that period.

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

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

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

### Disclosure of information to auditors

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

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

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

On behalf of the board



**G Leitch**  
Director

Date: 23/10/17

# **A.B.E. (Ledbury) Limited**

## **Independent Auditors' Report to the Members of A.B.E. (Ledbury) Limited**

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### **Opinion**

We have audited the financial statements of A.B.E. (Ledbury) Limited ("the company") for the 15 month period ended 30 June 2017 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2017 and of its profit for the 15 month period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

### **Conclusions related to going concern**

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

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

# **A.B.E. (Ledbury) Limited**

## **Independent Auditors' Report to the Members of A.B.E. (Ledbury) Limited (continued)**

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### **Other information**

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

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

We have nothing to report in this regard.

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

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

- the information given in the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to take advantage of the small companies exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

# A.B.E. (Ledbury) Limited

## Independent Auditors' Report to the Members of A.B.E. (Ledbury) Limited (continued)

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### Responsibilities of 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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### Auditor's responsibilities for the audit of the financial statements

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

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

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



**Thomas Lawton** (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
Birmingham  
United Kingdom

Date:



BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# A.B.E. (Ledbury) Limited

## Statement of Comprehensive Income For the 15 Month Period Ended 30 June 2017

|  | Note | 15 month<br>period<br>ended<br>30 June<br>2017<br>£ | Year ended<br>31 March<br>2016<br>£ |
|--|------|---|-------------------------------------|
| Turnover   | 4    | 10,018,206  | 7,337,671                           |
| Cost of sales  |      | (7,669,734)   | (5,812,614)                         |
| <b>Gross profit</b>  |      | <b>2,348,472</b>                                    | <b>1,525,057</b>                    |
| Administrative expenses  |      | (1,862,158)   | (939,225)                           |
| <b>Operating profit</b>  | 5    | <b>486,314</b>                                      | <b>585,832</b>                      |
| Interest receivable and similar income                           |      | 56  | 31                                  |
| Interest payable and expenses                                    | 8    | (8,771)   | (15,285)                            |
| <b>Profit before tax</b>   |      | <b>477,599</b>                                      | <b>570,578</b>                      |
| Taxation on profit on ordinary activities                        | 9    | (92,102)  | (126,825)                           |
| <b>Profit for the period/year and total comprehensive income</b> |      | <b>385,497</b>                                      | <b>443,753</b>                      |

All amounts relate to continuing activities.

The Company has no other comprehensive income for the period (2016 - £Nil).

The notes on pages 9 to 23 form part of these financial statements.



**A.B.E. (Ledbury) Limited**

Registered number: 02397136

**Statement of Financial Position  
As at 30 June 2017**

|   | Note | 30 June<br>2017<br>£ | 30 June<br>2017<br>£ | 31 March<br>2016<br>£ | 31 March<br>2016<br>£ |
|---|------|----------------------|----------------------|-----------------------|-----------------------|
| <b>Fixed assets</b>                                     |      |                      |                      |                       |                       |
| Tangible assets   | 11   |                      | 1,337,750            |                       | 1,573,375             |
| Investments   | 12   |                      | 26,750               |                       | 26,750                |
|   |      |                      | <u>1,364,500</u>     |                       | <u>1,600,125</u>      |
| <b>Current assets</b>                                   |      |                      |                      |                       |                       |
| Stocks  | 13   | 58,696               |                      | 57,629                |                       |
| Debtors: amounts falling due within one year            | 14   | 1,269,395            |                      | 1,336,293             |                       |
| Cash at bank and in hand                                |      | 711,439              |                      | 171,118               |                       |
|   |      | <u>2,039,530</u>     |                      | <u>1,565,040</u>      |                       |
| Creditors: amounts falling due within one year          | 15   | (1,187,218)          |                      | (1,217,502)           |                       |
| <b>Net current assets</b>                               |      |                      | <u>852,312</u>       |                       | <u>347,538</u>        |
| <b>Total assets less current liabilities</b>            |      |                      | <u>2,216,812</u>     |                       | <u>1,947,663</u>      |
| Creditors: amounts falling due after more than one year | 16   |                      | -                    |                       | (21,875)              |
| <b>Provisions for liabilities</b>                       |      |                      |                      |                       |                       |
| Deferred tax  | 18   |                      | (70,316)             |                       | (164,789)             |
| <b>Net assets</b>                                       |      |                      | <u>2,146,496</u>     |                       | <u>1,760,999</u>      |
| <b>Capital and reserves</b>                             |      |                      |                      |                       |                       |
| Called up share capital                                 | 19   |                      | 60                   |                       | 60                    |
| Profit and loss account                                 |      |                      | 2,146,436            |                       | 1,760,939             |
| <b>Shareholders' funds</b>                              |      |                      | <u>2,146,496</u>     |                       | <u>1,760,999</u>      |

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

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

  
G Leitch  
Director

23/10/17

The notes on pages 9 to 23 form part of these financial statements.

## A.B.E. (Ledbury) Limited

### Statement of Changes in Equity For the 15 Month Period Ended 30 June 2017

|   | Share<br>capital<br>£ | Profit and<br>loss account<br>£ | Shareholders'<br>funds<br>£ |
|---|-----------------------|---------------------------------|-----------------------------|
| At 1 April 2016   | 60                    | 1,760,939                       | 1,760,999                   |
| <b>Comprehensive income<br/>for the 15 month period</b>           |                       |                                 |                             |
| Profit for the 15 month<br>period                                 | -                     | 385,497                         | 385,497                     |
| <b>Total comprehensive<br/>income for the 15 month<br/>period</b> | -                     | 385,497                         | 385,497                     |
| <b>At 30 June 2017</b>  | <b>60</b>             | <b>2,146,436</b>                | <b>2,146,496</b>            |

### Statement of Changes in Equity For the Year Ended 31 March 2016

|  | Share<br>capital<br>£ | Profit and<br>loss account<br>£ | Shareholders'<br>funds<br>£ |
|--|-----------------------|---------------------------------|-----------------------------|
| At 1 April 2015                                    | 60                    | 1,347,186                       | 1,347,246                   |
| <b>Comprehensive income<br/>for the year</b>       |                       |                                 |                             |
| Profit for the year                                | -                     | 443,753                         | 443,753                     |
| <b>Total comprehensive<br/>income for the year</b> | -                     | 443,753                         | 443,753                     |
| Dividends: Equity capital                          | -                     | (30,000)                        | (30,000)                    |
| <b>Total transactions with<br/>owners</b>          | -                     | (30,000)                        | (30,000)                    |
| <b>At 31 March 2016</b>                            | <b>60</b>             | <b>1,760,939</b>                | <b>1,760,999</b>            |

**Share capital** - represents the nominal value of shares in issue.

**Profit and loss account** - represents all other net gain and losses and transactions with owners not recognised elsewhere within the financial statements.

The notes on pages 9 to 23 form part of these financial statements.

# **A.B.E. (Ledbury) Limited**

## **Notes to the Financial Statements For the 15 Month Period Ended 30 June 2017**

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### **1. General information**

A.B.E. (Ledbury) Limited ("the Company") is a limited company domiciled and incorporated in England.

The address of the Company's registered office is The Palletline Centre, Starley Way, Birmingham, West Midlands, B37 7HB. The Company's principal place of business is Bromyard Road, Ledbury, Herefordshire, HR8 1LG.

The Company's principal activity is the distribution of palletised goods throughout the UK, with particular focus on Herefordshire and Worcestershire.

These financial statements represent the period starting 1 April 2016 to 30 June 2017. The comparative period represented the year started 1 April 2015 to 31 March 2016.

### **2. Accounting policies**

#### **2.1 Basis of preparation of financial statements**

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

Information on the impact of first-time adoption of FRS 102 is given in note 25.

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

The following principal accounting policies have been applied:

#### **2.2 Financial reporting standard 102 - reduced disclosure exemptions**

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Palletline Plc as at 30 June 2017 and these financial statements may be obtained from its registered office.

#### **2.3 Functional and presentational currencies**

The financial statements are presented in sterling which is also the functional currency of the Company.

# **A.B.E. (Ledbury) Limited**

## **Notes to the Financial Statements For the 15 Month Period Ended 30 June 2017**

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### **2. Accounting policies (continued)**

#### **2.4 Foreign currencies**

Transactions in currencies other than the functional currency (foreign currencies) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

#### **2.5 Turnover**

Turnover is recognised to the extent that it is probable benefit will flow in to the Company and revenue can be reliably measured. This occurs when the service is complete which is generally upon completion of the delivery. Turnover represents sales to external customers at invoiced amounts less value added tax or local taxes on sales.

#### **2.6 Tangible assets**

Tangible fixed assets are initially recognised at cost and subsequently measured at cost net of depreciation.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost to its estimated residual value over its expected useful life as follows:

|                          |   |                      |
|--------------------------|---|----------------------|
| Improvements to property | - | 10% straight line    |
| Plant & machinery        | - | 25% straight line    |
| Motor vehicles           | - | 20% straight line    |
| Fixtures & fittings      | - | 25% reducing balance |

On disposal, the difference between the net disposal proceeds and the carrying amount of the tangible asset is recognised in profit and loss.

#### **2.7 Valuation of investments**

Investments in unlisted company shares, which have been classified as fixed asset investments as the company intends to hold them on a continuing basis, are measured at cost less accumulated impairment.

#### **2.8 Stocks**

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal. When net realisable value is less than cost a provision for impairment is provided for within the financial statements.

# **A.B.E. (Ledbury) Limited**

## **Notes to the Financial Statements For the 15 Month Period Ended 30 June 2017**

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### **2. Accounting policies (continued)**

#### **2.9 Financial instruments**

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

All financial instruments are measured at amortised cost. The Company considers evidence of impairment of trade and other debtors and any subsequent impairment is recognised in profit and loss.

#### **2.10 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.

#### **2.11 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.

#### **2.12 Trade creditors**

Trade creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement with a trade creditor constitutes a financing transaction, the creditor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument.

#### **2.13 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.

#### **2.14 Leased assets**

Annual rentals in respect of operating leases are charged to the statement of comprehensive income on a straight line basis over the term of the lease.

#### **2.15 Pensions**

Contributions to the Company's defined contribution pension scheme are charged to the statement of comprehensive income in the year to which they become payable.

# **A.B.E. (Ledbury) Limited**

## **Notes to the Financial Statements For the 15 Month Period Ended 30 June 2017**

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### **2. Accounting policies (continued)**

#### **2.16 Pensions**

##### **Defined contribution pension plan**

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

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

#### **2.17 Taxation**

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Current or deferred tax is charged or credited in profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

# A.B.E. (Ledbury) Limited

## Notes to the Financial Statements For the 15 Month Period Ended 30 June 2017

### 3. Critical accounting estimates and areas of judgement

In applying the Company's accounting policies set out above management is required to make certain estimates and judgements concerning the future. These judgements are regularly reviewed and updated as necessary. The estimates and judgements that have the most significant effect on the amounts included in these financial statements are as follows:

a) Useful lives of property, plant and equipment

Depreciation is provided so as to write down the assets to their residual values over their estimated useful lives as set out in the Company's accounting policy. The selection of these estimated lives requires the exercise of management judgement. Useful lives are regularly reviewed and should management's assessment of useful lives shorten the depreciation charges in the financial statements would increase and carrying amounts of property, plant and equipment would reduce accordingly.

b) Trade debtors

The Company reviews the recoverability of trade debtors and makes allowances for doubtful debts where considered appropriate.

### 4. Turnover

Turnover arises solely within the United Kingdom.

Analysis of turnover by operating segment:

|                       | 15 month<br>period<br>ended<br>30 June<br>2017<br>£ | Year ended<br>31 March<br>2016<br>£ |
|-----------------------|---|-------------------------------------|
| Haulage and transport | 9,709,812   | 7,044,393                           |
| Warehousing           | 233,644   | 226,794                             |
| Rental income         | 74,750  | 66,484                              |
|                       | <u>10,018,206</u>                                   | <u>7,337,671</u>                    |

# A.B.E. (Ledbury) Limited

## Notes to the Financial Statements For the 15 Month Period Ended 30 June 2017

### 5. Profit on ordinary activities before taxation

This is arrived at after charging/(crediting):

|   | 15 month<br>period<br>ended<br>30 June<br>2017<br>£ | Year ended<br>31 March<br>2016<br>£ |
|---|---|-------------------------------------|
| Depreciation of tangible fixed assets   | 646,240   | 445,411                             |
| Loss/(profit) on disposal of fixed assets   | 2,653   | (31,646)                            |
| Hire of other assets - operating leases   | 243,750   | 195,000                             |
| Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements | 12,500  | 5,000                               |
| Fees payable to the Company's auditor and its associates for taxation compliance services                           | 1,000   | -                                   |
| Defined contribution pension cost   | 91,672  | 103,380                             |
|   | <u>91,672</u>                                       | <u>103,380</u>                      |

### 6. Employees

Staff costs (including directors) consist of:

|                       | 15 month<br>period<br>ended<br>30 June<br>2017<br>£ | Year ended<br>31 March<br>2016<br>£ |
|-----------------------|---|-------------------------------------|
| Wages and salaries    | 3,002,981   | 2,222,552                           |
| Social security costs | 292,984   | 216,376                             |
| Other pension costs   | 91,672  | 103,380                             |
|                       | <u>3,387,637</u>                                    | <u>2,542,308</u>                    |

The average monthly number of employees, including the Directors, during the 15 month period was as follows:

|                                       | 15 month<br>period<br>ended<br>30<br>June<br>2017<br>No. | Year<br>ended<br>31<br>March<br>2016<br>No. |
|---------------------------------------|--|---|
| Direct operatives and warehouse staff | 67   | 71  |
| Administration and management         | 17   | 17  |
|                                       | <u>84</u>  | <u>88</u>                                   |



# A.B.E. (Ledbury) Limited

## Notes to the Financial Statements For the 15 Month Period Ended 30 June 2017

### 7. Directors' remuneration

|   | 15 month<br>period<br>ended<br>30 June<br>2017<br>£ | Year ended<br>31 March<br>2016<br>£ |
|---|---|-------------------------------------|
| Directors' emoluments   | 214,608   | 81,223                              |
| Company contributions to defined contribution pension schemes | 111,194   | 33,600                              |
|   | <u>325,802</u>                                      | <u>114,823</u>                      |

During the year retirement benefits were accruing to 2 Directors (2016 - 2) in respect of defined contribution pension schemes.

### 8. Interest payable and similar charges

|  | 15 month<br>period<br>ended<br>30 June<br>2017<br>£ | Year ended<br>31 March<br>2016<br>£ |
|--|---|-------------------------------------|
| Bank interest payable                      | -   | 85                                  |
| Other loan interest payable                | 998   | 4,921                               |
| Finance leases and hire purchase contracts | 7,773   | 10,279                              |
|  | <u>8,771</u>  | <u>15,285</u>                       |

# A.B.E. (Ledbury) Limited

## Notes to the Financial Statements For the 15 Month Period Ended 30 June 2017

### 9. Taxation

|  | 15 month<br>period<br>ended<br>30 June<br>2017<br>£ | Year ended<br>31 March<br>2016<br>£ |
|--|---|-------------------------------------|
| <b>Corporation tax</b>                           |   |                                     |
| Current tax on profits for the year              | 178,441   | 85,150                              |
| Adjustments in respect of previous periods       | 8,134   | -                                   |
| <b>Total current tax</b>                         | <b>186,575</b>                                      | <b>85,150</b>                       |
| <b>Deferred tax</b>                              |   |                                     |
| Origination and reversal of timing differences   | (71,188)  | 41,675                              |
| Adjustments in respect of prior periods          | (14,961)  | -                                   |
| Effect of tax change on opening balance          | (8,324)   | -                                   |
| <b>Total deferred tax</b>                        | <b>(94,473)</b>                                     | <b>41,675</b>                       |
| <b>Taxation on profit on ordinary activities</b> | <b>92,102</b>                                       | <b>126,825</b>                      |

### Factors affecting tax charge for the 15 month period/year

The tax assessed for the 15 month period/year is lower than (2016 - higher than) the standard rate of corporation tax in the UK of 19.80% (2016 - 20%). The differences are explained below:

|   | 15 month<br>period<br>ended<br>30 June<br>2017<br>£ | Year ended<br>31 March<br>2016<br>£ |
|---|---|-------------------------------------|
| Profit on ordinary activities before tax  | 477,599   | 570,578                             |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.80% (2016 - 20%) | 94,565  | 114,116                             |
| <b>Effects of:</b>  |   |                                     |
| Expenses not deductible for tax purposes  | -   | 3,951                               |
| Adjustments in respect of prior periods   | (6,827)   | -                                   |
| Effects of change in tax rates  | (8,324)   | -                                   |
| Other   | 12,688  | 8,758                               |
| <b>Total tax charge for the 15 month period/year</b>  | <b>92,102</b>                                       | <b>126,825</b>                      |

# A.B.E. (Ledbury) Limited

## Notes to the Financial Statements For the 15 Month Period Ended 30 June 2017

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### 9. Taxation (continued)

#### Factors that may affect future tax charges

The corporation tax was 20% from 1 April 2015. The summer budget on 8 July 2015 announced that the rate will reduce to 19% as of 1 April 2017 and 17% as of 2020. This will reduce the Company's future current tax accordingly. Deferred tax has been calculated at 17% being the rate substantively enacted at the year end.

### 10. Dividends

|   | 15 month<br>period<br>ended 30<br>June<br>2017<br>£ | Year ended<br>31 March<br>2016<br>£ |
|---|---|-------------------------------------|
| Ordinary shares - interim dividend £Nil (2016 - £500) per share | -   | 30,000                              |

# A.B.E. (Ledbury) Limited

## Notes to the Financial Statements For the 15 Month Period Ended 30 June 2017

### 11. Tangible assets

|                                   | Improvements<br>to property<br>£ | Plant and<br>machinery<br>£ | Fixtures and<br>fittings<br>£ | Motor<br>vehicles<br>£ | Total<br>£ |
|-----------------------------------|----------------------------------|-----------------------------|-------------------------------|------------------------|------------|
| <b>Cost or valuation</b>          |                                  |                             |                               |                        |            |
| At 1 April 2016                   | 214,271                          | 302,541                     | 868,068                       | 2,131,823              | 3,516,703  |
| Additions                         | -                                | 46,828                      | 125,547                       | 300,342                | 472,717    |
| Disposals                         | (2,184)                          | (134,467)                   | (100,914)                     | (240,816)              | (478,381)  |
| At 30 June 2017                   | 212,087                          | 214,902                     | 892,701                       | 2,191,349              | 3,511,039  |
| <b>Depreciation</b>               |                                  |                             |                               |                        |            |
| At 1 April 2016                   | 164,733                          | 225,494                     | 556,791                       | 996,310                | 1,943,328  |
| Charge for the 15 month<br>period | 7,618                            | 47,694                      | 114,118                       | 476,810                | 646,240    |
| Disposals                         | (528)                            | (110,388)                   | (93,582)                      | (211,781)              | (416,279)  |
| At 30 June 2017                   | 171,823                          | 162,800                     | 577,327                       | 1,261,339              | 2,173,289  |
| <b>Net book value</b>             |                                  |                             |                               |                        |            |
| At 30 June 2017                   | 40,264                           | 52,102                      | 315,374                       | 930,010                | 1,337,750  |
| At 31 March 2016                  | 49,538                           | 77,047                      | 311,277                       | 1,135,513              | 1,573,375  |

Assets held under hire purchase contracts have a net book value of £77,958 (2016 - £356,764). Depreciation charged for the year on these assets amounted to £30,371 (2016 - £82,044).

# A.B.E. (Ledbury) Limited

## Notes to the Financial Statements For the 15 Month Period Ended 30 June 2017

### 12. Fixed asset investments

|                          | Unlisted<br>investments<br>£ |
|--------------------------|------------------------------|
| <b>Cost or valuation</b> |                              |
| At 1 April 2016          | 26,750                       |
| At 30 June 2017          | <u>26,750</u>                |
| <b>Net book value</b>    |                              |
| At 30 June 2017          | <u>26,750</u>                |
| At 31 March 2016         | <u>26,750</u>                |

### 13. Stocks

|                                     | 30 June<br>2017<br>£ | 31 March<br>2016<br>£ |
|-------------------------------------|----------------------|-----------------------|
| Finished goods and goods for resale | <u>58,696</u>        | <u>57,629</u>         |

Stock recognised in cost of sales as an expense during the 15 month period was £1,357,924 (year ended 31 March 2016 - £999,815).

Stocks are stated net of a provision of £Nil (2016 - £Nil).

There is no material difference between the replacement cost of stocks and the amounts stated above.

# A.B.E. (Ledbury) Limited

## Notes to the Financial Statements For the 15 Month Period Ended 30 June 2017

### 14. Debtors

|               | 30 June<br>2017<br>£ | 31 March<br>2016<br>£ |
|---------------|----------------------|-----------------------|
| Trade debtors | 1,182,025            | 1,195,420             |
| Prepayments   | 87,370               | 140,873               |
|               | <u>1,269,395</u>     | <u>1,336,293</u>      |

All amounts shown under debtors fall due for payment within one year.

Debtors are shown net of a provision of £90,879 (year ended 31 March 2016 - £436).

The impairment charge recognised in administrative expenses in respect of bad and doubtful debts was £102,875 (2016 - £7,200).

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

|   | 30 June<br>2017<br>£ | 31 March<br>2016<br>£ |
|---|----------------------|-----------------------|
| Amounts owed to group undertakings                          | 24,123               | -                     |
| Trade creditors   | 531,132              | 656,389               |
| Corporation tax   | 178,439              | 77,016                |
| Other taxation and social security                          | 273,537              | 204,381               |
| Obligations under finance lease and hire purchase contracts | 11,250               | 116,042               |
| Other creditors   | 168,737              | 153,202               |
| Directors' current accounts                                 | -                    | 10,472                |
|   | <u>1,187,218</u>     | <u>1,217,502</u>      |

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

|  | 30 June<br>2017<br>£ | 31 March<br>2016<br>£ |
|--|----------------------|-----------------------|
| Obligations under finance leases and hire purchase contracts | -                    | 21,875                |

# A.B.E. (Ledbury) Limited

## Notes to the Financial Statements For the 15 Month Period Ended 30 June 2017

### 17. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

|                            | 30 June<br>2017<br>£ | 31 March<br>2016<br>£ |
|----------------------------|----------------------|-----------------------|
| Within one year            | 11,250               | 116,042               |
| Between one and five years | -                    | 21,875                |
|                            | <u>11,250</u>        | <u>137,917</u>        |

Hire purchase contracts are secured on the asset to which they relate.

### 18. Deferred taxation

|                                      | 2017<br>£            |
|--------------------------------------|----------------------|
| At beginning of period               | 164,789              |
| Charged/(credited) to profit or loss | (94,473)             |
| <b>At end of period</b>              | <u><b>70,316</b></u> |

The provision for deferred taxation is made up as follows:

|                                | 30 June<br>2017<br>£ | 31 March<br>2016<br>£ |
|--------------------------------|----------------------|-----------------------|
| Accelerated capital allowances | 72,171               | 164,789               |
| Short term timing differences  | (1,855)              | -                     |
|                                | <u>70,316</u>        | <u>164,789</u>        |

### 19. Share capital

|   | 30 June<br>2017<br>£ | 31 March<br>2016<br>£ |
|---|----------------------|-----------------------|
| <b>Allotted, called up and fully paid</b> |                      |                       |
| 60 ordinary shares of £1 each             | <u>60</u>            | <u>60</u>             |

# A.B.E. (Ledbury) Limited

## Notes to the Financial Statements For the 15 Month Period Ended 30 June 2017

### 20. Pension commitments

The Company operates a defined benefit contribution scheme for its employees. The assets of the scheme are administered in a fund independent from those of the Company. The total contributions paid in the 15 month period amounted to £91,672 (year ended 31 March 2016 - £103,380). There is a pension creditor at the end of the 15 month period of £10,610 (year ended 31 March 2016 - £10,907).

### 21. Contingent liabilities

The Company has a cross guarantee with its parent company for group bank borrowings. At the year end the liabilities covered by these guarantees totalled £3,412,500 (2016 - £2,615,848).

### 22. Commitments under operating leases

At 30 June 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

|  | 30 June<br>2017<br>£ | 31 March<br>2016<br>£ |
|--|----------------------|-----------------------|
| Not later than 1 year                        | 195,000              | 204,360               |
| Later than 1 year and not later than 5 years | 780,000              | 793,011               |
| Later than 5 years                           | 1,072,500            | 1,462,500             |
|  | <u>2,047,500</u>     | <u>2,459,871</u>      |

### 23. Related party transactions

During the 15 month period, the Company purchased services in the normal course of business from Mr A P K Boyle, a director of the business. The total value of the goods purchased amounted to £28,091 (year ended 31 March 2016 - £11,484). At the end of the 15 month period, £5,203 (year ended 31 March 2016 - £2,462), was outstanding.

These transactions were carried out at arms length.

At the statement of financial position date the amount owed to Mr A P K Boyle, in respect of his current and loan accounts was £Nil (year ended 31 March 2016 - £10,472).

Interest was paid to Mr A P K Boyle on his loan to the Company of £998 (year ended 31 March 2016 - £4,921).

On 2 February 2017 the Company became a wholly owned subsidiary of Palletline Plc. From this date the Company has taken the exemption under FRS 102 Section 33 Related Party Disclosures not to disclose transactions with wholly owned group members.

Key management personnel represents the Directors of the Company as they have the responsibility for planning, directing and controlling the activities of the entity, directly or indirectly. During the period/year, the key management remuneration was £325,802 (2016 - £114,823).



# **A.B.E. (Ledbury) Limited**

## **Notes to the Financial Statements For the 15 Month Period Ended 30 June 2017**

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### **24. Ultimate parent company and parent undertaking of larger group**

The Company is a wholly owned subsidiary of Palletline Plc, which is the ultimate parent company incorporated in the United Kingdom.

The largest and smallest group in which the results of the Company are consolidated is that headed by Palletline Plc, incorporated in the United Kingdom. The consolidated accounts of this Company are available to the public and may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ. No other group accounts include the results of the Company.

### **25. First time adoption of FRS 102**

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