

Registered number: 02439258

OBS LOGISTICS LIMITED

UNAUDITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2019

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OBS LOGISTICS LIMITED

COMPANY INFORMATION

Directors	H M Stein K J McAdams N Marrison
Registered number	02439258
Registered office	7 Rushmills Northampton NN4 7YB
Bankers	Barclays Bank plc One Snowhill Queensway Birmingham West Midlands B4 6GN

OBS LOGISTICS LIMITED

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OBS LOGISTICS LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2019

The directors present their report and the financial statements for the 15 month period ended 31 December 2019 (2018: 9 month period ended 30 September 2018).

Principal activity

The principal activity of the company in the period under review was that of the provision of information technology based business solutions.

Results and dividends

The profit for the period, after taxation, amounted to £950,000 (2018 - loss £1,723,000).

No dividends will be distributed for the period ended 31 December 2019 (2018: £Nil).

Directors

The directors who served during the period and up to the date of this report were:

K L Chalmers (appointed 8 March 2020, resigned 11 December 2020)
S A Cummings (appointed 8 March 2020, resigned 11 December 2020)
H M Stein (appointed 8 March 2020)
R D Mogg (resigned 13 December 2019)
I Newcombe (resigned 8 March 2020)
D C Renshaw (resigned 8 March 2020)
R Telford (resigned 8 March 2020)
K J McAdams (appointed 11 December 2020)
N Marrison (appointed 11 December 2020)

OBS LOGISTICS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2019

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, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and 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;
- 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Post balance sheet events

In March 2020, the World Health Organisation recognised the novel strain of coronavirus ("COVID-19"), as a pandemic. In response to this COVID-19 outbreak, the governments of many countries, states and cities and other geographic regions have taken preventative or protective actions, such as imposing restrictions on travel and business operations and advising or requiring individuals to limit or forego their time outside of their homes. Accordingly, the COVID-19 outbreak has severely restricted the level of economic activity in many countries, and continues to adversely impact global economic activity and has contributed to significant volatility in financial markets. The Company is actively monitoring the impact of the global situation on its financial condition, liquidity, operations, suppliers, industry and workforce. Management believes our balance sheet and ability to maintain financial liquidity remains strong. With many of our customers anticipating extended declines in their businesses due to the COVID-19 pandemic, we are monitoring closely for trends that may impact their timing or ability to pay amounts owed to us. Based on this analysis the Company has concluded that there is not a substantial doubt about the Company's ability to continue as a going concern. The Company will continue to evaluate on-going risks and uncertainty related to COVID-19.

OBS LOGISTICS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2019**

Small companies note

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

This report was approved by the board on 18 December 2020 and signed on its behalf by:



N Marrison
Director

OBS LOGISTICS LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 31 DECEMBER 2019**

		15 month period to 31 December 2019 £000	9 month period to 30 September 2018 £000
	Note		
Turnover	3	8,031	5,237
Cost of sales		(1,066)	(808)
Gross profit		6,965	4,429
Administrative expenses		(5,893)	(4,198)
Exceptional administrative expenses		(46)	(2,033)
Operating profit/(loss)	4	1,026	(1,802)
Interest receivable and similar income	7	-	2
Interest payable and expenses	8	(13)	(6)
Profit/(loss) before tax		1,013	(1,806)
Tax on profit/(loss)	9	(63)	83
Profit/(loss) for the financial period		950	(1,723)
Other comprehensive income for the period			
Share based payments charge		(12)	-
Other comprehensive income for the period		(12)	-
Total comprehensive income for the period		938	(1,723)

The notes on pages 8 to 26 form part of these financial statements.

OBS LOGISTICS LIMITED
REGISTERED NUMBER:02439258

BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	31 December 2019 £000	30 September 2018 £000
Fixed assets			
Intangible assets	11	604	727
Tangible assets	12	489	634
Investments	13	500	500
		<u>1,593</u>	<u>1,861</u>
Current assets			
Debtors	14	5,365	2,990
Cash at bank and in hand	15	556	915
		<u>5,921</u>	<u>3,905</u>
Creditors: amounts falling due within one year	16	<u>(5,463)</u>	<u>(4,355)</u>
Net current assets/(liabilities)		<u>458</u>	<u>(450)</u>
Total assets less current liabilities		<u>2,051</u>	<u>1,411</u>
Creditors: amounts falling due after more than one year	17	(314)	(612)
Net assets		<u><u>1,737</u></u>	<u><u>799</u></u>
Capital and reserves			
Called up share capital	21	500	500
Share premium account	22	235	235
Profit and loss account	22	1,002	64
		<u><u>1,737</u></u>	<u><u>799</u></u>

OBS LOGISTICS LIMITED
REGISTERED NUMBER:02439258

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2019

For the period ended 31 December 2019 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors responsibilities:

- The members have not required the company to obtain an audit of its accounts for the period in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirement of the Act with respect to accounting records and the preparation of accounts.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board on 18 December 2020 and were signed on its behalf by:



N Marrison
Director

The notes on pages 8 to 26 form part of these financial statements.

OBS LOGISTICS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2019**

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
At 1 January 2018	500	235	1,787	2,522
Loss for the period	-	-	(1,723)	(1,723)
At 1 October 2018	500	235	64	799
Profit for the period	-	-	950	950
Share based payments	-	-	(12)	(12)
At 31 December 2019	500	235	1,002	1,737

The notes on pages 8 to 26 form part of these financial statements.

OBS LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019

1. General information

OBS Logistics Limited is a private company limited by shares & incorporated in England and Wales. Registered number 02439258. Its registered head office is located at 7 Rushmills, Northampton, England, NN4 7YB.

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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

Monetary amounts in these financial statements are presented in Sterling, which is the functional currency of the company, rounded to the nearest whole £1,000, except where otherwise indicated.

The following principal accounting policies have been applied:

2.2 Going concern

After reviewing the company's and group's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis of accounting in preparing the financial statements.

2.3 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

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

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

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

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Profit and Loss Account within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'

OBS LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.4 Revenue

Revenue is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Revenue is recognised on the basis of the performance of contractual obligations, and to the extent the right to the consideration has been earned.

Software licence fees & hardware - Revenue is recognised when delivery has occurred.

Software implementation - Revenue is recognised in accordance with the stage of completion of the contract.

Periodic maintenance contracts - Revenue is recognised evenly over the period to which they relate.

Full provision is made for losses on all contracts in the period in which they are first foreseen.

2.5 Operating leases: the company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

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

The company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 January 2018 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.6 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.7 Interest income

Interest income is recognised in profit or loss using the effective interest method.

OBS LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.8 Finance costs

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

2.9 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 profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the company in independently administered funds.

2.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense. The holiday year for OBS Logistics Limited ends at 31 December.

Employees are entitled to carry forward up to 5 days of any unused holiday entitlement at the balance sheet date. The cost of any unused entitlement is recognised in the period in which the employee's services are received.

The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

OBS LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.11 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.12 Exceptional items

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

2.13 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Profit and Loss Account over its useful economic life.

Other intangible assets

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

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

OBS LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.14 Tangible fixed assets

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

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

Depreciation is provided on the following basis:

Fixtures and fittings	- 5 - 10 years Straight line basis
Computer equipment	- 2 - 5 years Straight line basis

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.15 Impairments of fixed assets

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the company estimates the recoverable amount of the asset or, for goodwill, the recoverable amount of the cash-generating unit to which the goodwill belongs.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses. Impairments of revalued assets are treated as a revaluation loss. All other impairment losses are recognised in the Profit and Loss Account.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in the Profit and Loss Account or, for revalued assets, as a revaluation gain. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

2.16 Valuation of Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Profit and Loss Account for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Balance Sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

OBS LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.17 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.

2.18 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.

2.19 Creditors

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

2.20 Financial instruments

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

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

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

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

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

OBS LOGISTICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

3. Turnover

In the opinion of the directors all revenue is generated from a single trading activity, the supply of IT and associated services.

Analysis of turnover by country of destination:

	15 month period to 31 December 2019 £000	9 month period to 30 September 2018 £000
United Kingdom	7,941	5,199
Rest of Europe	37	-
United States of America	53	38
	<u>8,031</u>	<u>5,237</u>

4. Operating profit/(loss)

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

	15 month period to 31 December 2019 £000	9 month period to 30 September 2018 £000
Depreciation of owned assets	70	38
Depreciation of assets held under hire purchase contracts & finance leases	215	141
Goodwill amortisation	123	79
Foreign exchange differences	(8)	11
Operating lease costs:		
- Land and buildings	122	96
- Plant & machinery	3	-
Share based payment	(12)	-
Management fee	1,002	919
Research & development costs	<u>1,175</u>	<u>650</u>

OBS LOGISTICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

5. Employees

	15 month period to 31 December 2019 £000	<i>9 month period to 30 September 2018 £000</i>
Wages and salaries	2,988	<i>2,017</i>
Social security costs	380	<i>229</i>
Cost of defined contribution scheme	131	<i>74</i>
	3,499	<i>2,320</i>

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

	15 month period to 31 December 2019 No.	<i>9 month period to 30 September 2018 No.</i>
Administrative staff	3	<i>3</i>
Technical staff	48	<i>50</i>
Sales and marketing staff	6	<i>5</i>
	57	<i>58</i>

OBS LOGISTICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

6. Directors' remuneration

	15 month period to 31 December 2019 £000	9 month period to 30 September 2018 £000
Directors' emoluments	222	129
Company contributions to defined contribution pension schemes	16	10
	238	139

During the period retirement benefits were accruing to 1 director (2018 - 1) in respect of defined contribution pension schemes.

One of the directors received remuneration from this company in the period. The other directors have been remunerated for their services through other group companies. Two directors exercised share options in another group company in the period.

7. Interest receivable

	15 month period to 31 December 2019 £000	9 month period to 30 September 2018 £000
Bank interest receivable	-	2

8. Interest payable and similar expenses

	15 month period to 31 December 2019 £000	9 month period to 30 September 2018 £000
Leasing interest	13	6

OBS LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019

9. Taxation

	15 month period to 31 December 2019 £000	9 month period to 30 September 2018 £000
Corporation tax		
Current tax on profits for the period/year	88	15
Adjustments in respect of prior periods	(47)	(46)
Total current tax	<u>41</u>	<u>(31)</u>
Deferred tax		
Origination and reversal of timing differences	20	(63)
Adjustment in respect of prior periods	2	11
Total deferred tax	<u>22</u>	<u>(52)</u>
Taxation on profit/(loss) on ordinary activities	<u>63</u>	<u>(83)</u>

OBS LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019

9. Taxation (continued)

Factors affecting tax charge for the period

The tax assessed for the period is lower than (2018 - *higher than*) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	15 month period to 31 December 2019 £000	9 month period to 30 September 2018 £000
Profit/(loss) on ordinary activities before tax	1,013	(1,806)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018: 19%)	192	(343)
Effects of:		
Expenses not deductible for tax purposes	17	373
Research and development claim	(99)	(86)
Overprovision for corporation tax in prior years	(47)	(46)
Deferred tax prior year	2	11
Difference in deferred tax rate	(2)	8
Total tax charge for the period	63	(83)

Factors that may affect future tax charges

In the Spring Budget 2020, the Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17% as previously enacted). This new law was substantively enacted on 17 March 2020. As the proposal to keep the rate at 19% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements. Deferred tax has been measured at the average tax rates that are expected to apply in periods in which the timing differences are expected to reverse.

OBS LOGISTICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

10. Exceptional items

	15 month period to 31 December 2019 £000	<i>9 month period to 30 September 2018 £000</i>
Exceptional items	46	<i>2,033</i>

Exceptional items for the period ended 31 December 2019 relate to acquisition costs (period ended 30 September 2018: acquisition costs and impairment of intercompany balances).

11. Intangible assets

	Goodwill £000
Cost	
At 1 October 2018	4,288
At 31 December 2019	4,288
Amortisation	
At 1 October 2018	3,561
Charge for the period	123
At 31 December 2019	3,684
Net book value	
At 31 December 2019	604
At 30 September 2018	<i>727</i>

Amortisation on intangible assets is charged to administrative expenses.

OBS LOGISTICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

12. Tangible fixed assets

	Fixtures and fittings £000	Computer equipment £000	Total £000
Cost			
At 1 October 2018	32	3,482	3,514
Additions	-	140	140
At 31 December 2019	<u>32</u>	<u>3,622</u>	<u>3,654</u>
Depreciation			
At 1 October 2018	27	2,853	2,880
Charge for the period	2	283	285
At 31 December 2019	<u>29</u>	<u>3,136</u>	<u>3,165</u>
Net book value			
At 31 December 2019	<u>3</u>	<u>486</u>	<u>489</u>
At 30 September 2018	<u>5</u>	<u>629</u>	<u>634</u>

Included within the net book value of £489,000 is £323,000 (2018: £538,000) relating to assets under finance lease agreements. The depreciation charged to the financial statements in the period in respect of such assets amounted to £215,000 (2018: £141,000).

OBS LOGISTICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

13. Fixed asset investments

	Subsidiaries in group undertakings £000
Cost	
At 1 October 2018	500
At 31 December 2019	<u>500</u>
Net book value	
At 31 December 2019	<u>500</u>
At 30 September 2018	<u>500</u>

Subsidiary undertaking

The company's investments at the balance sheet date in the share capital of companies include the following:

Name	Registered office	Principal activity	Class of shares	Holding
SIA Anisa Limited	7 Rushmills, Northampton, England, NN4 7YB	Dormant	Ordinary	100%

OBS LOGISTICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

14. Debtors

	31 December 2019 £000	30 September 2018 £000
Due after more than one year		
Trade debtors	321	478
Due within one year		
Trade debtors	1,173	991
Amounts owed by group undertakings	3,443	1,138
Prepayments and accrued income	302	228
Amounts recoverable on long term contracts	80	88
Deferred taxation	46	67
	5,365	2,990

An impairment of £Nil (2018: £289,000) was recognised in the period against trade debtors and an impairment release of £43,000 (2018: charge of £1,993,000) was recognised against amounts owed by group undertakings.

Amounts owed by group undertakings are repayable on demand and attract no interest.

15. Cash and cash equivalents

	31 December 2019 £000	30 September 2018 £000
Cash at bank and in hand	556	915

OBS LOGISTICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

16. Creditors: Amounts falling due within one year

	31 December 2019 £000	30 September 2018 £000
Trade creditors	353	267
Amounts owed to group undertakings	1,743	1,294
Corporation tax	88	14
Other taxation and social security	499	372
Obligations under finance lease and hire purchase contracts	66	132
Other creditors	28	25
Accruals and deferred income	2,686	2,251
	5,463	4,355

Assets held under finance lease agreements are secured on the asset to which the outstanding debt relates to.

Amounts owed to group undertakings are repayable on demand and attract no interest.

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

	31 December 2019 £000	30 September 2018 £000
Net obligations under finance leases and hire purchase contracts	136	224
Deferred income	178	388
	314	612

OBS LOGISTICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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18. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	31 December 2019 £000	<i>30 September 2018 £000</i>
Within one year	66	132
Between 1-5 years	136	224
	202	356

19. Secured debts

The company is party to loans by way of a fixed and floating charge over all of the assets of the company and other Group companies. The total amount of net debt outstanding at the period end was £nil (2018: £3.4 million). Details of these loans are included in the parent company's accounts.

20. Deferred taxation

	2019 £000	<i>2018 £000</i>
At beginning of period/year	68	15
Charged to profit or loss	(20)	64
Short time timing difference	(2)	(11)
At end of period/year	46	68

The deferred tax asset is made up as follows:

	31 December 2019 £000	<i>30 September 2018 £000</i>
Accelerated capital allowances	-	(13)
Other timing differences	46	81
	46	68

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**NOTES TO THE FINANCIAL STATEMENTS
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21. Share capital

	31 December 2019 £000	30 September 2018 £000
Allotted, called up and fully paid		
500,000 (2018 - 500,000) Ordinary shares of £1 each	500	500

Called up share capital - Represents the nominal value of shares that have been issued.

22. Reserves

Share premium account

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

Profit and loss account

Includes all current and prior period retained profits and losses.

23. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £131,000 (2018: £74,000). Contributions totalling £Nil (2018: £Nil) were payable to the fund at the balance sheet date and are included in creditors.

24. Commitments under operating leases

At 31 December 2019 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	31 December 2019 £000	30 September 2018 £000
Not later than 1 year	94	91
Later than 1 year and not later than 5 years	152	263
	246	354

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019

25. Related party transactions

The company has taken advantage of the exemption in FRS 102 Section 1A from disclosing transactions with related parties that are wholly owned by Gaytor Parent Limited.

26. Post balance sheet events

In March 2020, the World Health Organisation recognised the novel strain of coronavirus ("COVID-19"), as a pandemic. In response to this COVID-19 outbreak, the governments of many countries, states and cities and other geographic regions have taken preventative or protective actions, such as imposing restrictions on travel and business operations and advising or requiring individuals to limit or forego their time outside of their homes. Accordingly, the COVID-19 outbreak has severely restricted the level of economic activity in many countries, and continues to adversely impact global economic activity and has contributed to significant volatility in financial markets. The Company is actively monitoring the impact of the global situation on its financial condition, liquidity, operations, suppliers, industry and workforce. Management believes our balance sheet and ability to maintain financial liquidity remains strong. With many of our customers anticipating extended declines in their businesses due to the COVID-19 pandemic, we are monitoring closely for trends that may impact their timing or ability to pay amounts owed to us. Based on this analysis the Company has concluded that there is not a substantial doubt about the Company's ability to continue as a going concern. The Company will continue to evaluate on-going risks and uncertainty related to COVID-19.

27. Controlling party

The immediate parent undertaking of the company is Anisa Supply Chain Solutions Limited. The ultimate parent undertaking is Gaytor Parent Limited, a company incorporated in Jersey, Channel Islands. The ultimate controlling parties are TA Associates, Charlesbank and Vista Equity Partners by virtue of their equal shareholding in Gaytor Parent Limited. The largest and smallest group for which consolidated accounts are prepared is that headed by Gator Intermediate Holdco (UK) Limited with registered office at 7 Rushmills, Northampton, England, NN4 7YB.