

Registered number: 02484251

Abbey Logistics Group Limited

Annual report and financial statements

for the year ended 30 June 2017

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Abbey Logistics Group Limited

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Abbey Logistics Group Limited

Strategic report

Review of the business and future developments

Abbey Logistics Group Limited is principally engaged in the provision of logistics services in the UK and Northern Ireland.

In August 2016, the business was acquired in a Management Buy Out with the backing of NorthEdge Capital LLP. This resulted in the exit of the founding shareholders. Since then the remaining directors have increased their shares in the business and new board members have joined since the year end who have also taken a share in the Company.

Turnover has increased by almost 22% at an improved gross profit margin of 15.8%, the Board expects to see further improvements in the next financial year. The company had net assets of £3.8m (2016: £4.6m) at the year end. Administrative expenses have increased as a result of the integration of Armet Logistics Limited.

The strategy for the business moving forward is to grow revenues to £100m by 2021 due to organic growth and as it consolidates its position in the tanker market. The acquisition in this financial year of Armet Logistics Limited by the Company's ultimate parent company Axle Topco Limited, completed successfully in January 2017 and has assisted in the growth in revenue.

In September 2017 and following a strategic review of activities, the company decided to close its general haulage and Pallet Track division. This closure enables the business to provide a greater focus on the markets and customers where its core skills are strongest and it can make a positive impact and bring the most value to its customers.

Our focus continues to be on providing a best in class service to its valued customers and an unrivalled level of availability and flexibility to meet their needs.

Key performance indicators

The company uses the following key performance indicators to monitor the company's performance:

Revenue per vehicle

Revenue per mile

Cost per mile

These are monitored on a regular basis by the Board of Directors and the directors are satisfied with the performance in these areas during the year.

Principal risks and uncertainties

The company uses various financial instruments. These include loans, finance leases and hire purchase contracts, cash and various items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations. The existence of these financial instruments exposes the company to a number of financial risks, which are described in more detail below.

The main risk arising from the company's financial instruments is liquidity risk, credit risk and cash flow interest rate risk. The directors review and agree policies for managing each of these risks and they are summarised below. The policies have remained unchanged from previous years.

Abbey Logistics Group Limited

Strategic report

Liquidity Risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Short term flexibility is achieved by invoice discounting facilities. The maturity of borrowings is set out in the notes to the financial statements.

Credit Risk

The company's principal financial assets are cash and trade debtors. The credit risk associated with cash is limited. The principal credit risk arises therefore from its trade debtors.

In order to manage credit risk the directors set limits for customers based on a combination of payment history and third party credit references. Credit limits are reviewed by the credit controller on a regular basis in conjunction with debt ageing and collection history.

Interest Rate Risk

The company finances its operations through a mixture of retained profits, finance leases and hire purchase contracts and bank borrowings. The company's exposure to interest rate fluctuations on its borrowings is managed by the use of both fixed and floating rate facilities.

Approved by the Board and signed on its behalf by:



C Chambers

Director

16 February 2018

Abbey Logistics Group Limited

Directors' report

The directors present their annual report on the affairs of the Company, together with the audited financial statements and auditors' report, for the year ended 30 June 2017.

Future developments and events after the balance sheet date

Details of future developments and events that have occurred after the balance sheet date can be found in the Strategic Report on pages 1 & 2.

Going concern

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

Further details regarding the adoption of the going concern basis can be found in the accounting policies section of the notes to the financial statements.

Financial risk management objectives and policies

The Company's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. Further details can be found in the Strategic Report.

Dividends

An interim dividend of £366,689 was paid to Axle Bidco Limited, the immediate holding company in the year. The directors do not propose a final dividend.

Directors

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

D Coulson

S Granite

C Chambers (appointed 8 September 2017)

SJ Lucy (resigned 3 August 2016)

AJ Palmer (appointed 5 December 2016)

PMA Kenny (appointed 15 December 2016, resigned 31 October 2017)

DJ Thomas (appointed 15 December 2016, resigned 8 September 2017)

RM Ellis (appointed 9 January 2017)

CA Lucy (appointed 25 January 2017, resigned 11 September 2017)

Directors' indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Political contributions

No political donations were made in 2017 or 2016.

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy of the Company

Abbey Logistics Group Limited

Directors' report

that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee consultation

The Company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Company. This is achieved through formal and informal meetings, the Company magazine and a special edition for employees of the annual financial statements. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

Independent Auditors

Each of the persons who is a director at the date of approval of this report confirms 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 he/she ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The auditors, PricewaterhouseCoopers LLP, were appointed as auditors in the year and will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by the Board and signed on its behalf by:



C Chambers

Director

16 February 2018

Abbey Logistics Group Limited

Statement of directors responsibilities

The directors are responsible for preparing the Annual Report and the Consolidated Financial Statements in accordance with applicable law and regulation.

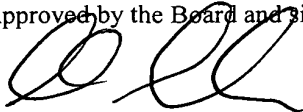
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 group and company and of the profit or loss of the group and company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Board and signed on its behalf by:



C Chambers

Director

16 February 2018

Abbey Logistics Group Limited

Independent auditors' report to the members of Abbey Logistics Group Limited

Report on the audit of the financial statements

Opinion

In our opinion, Abbey Logistics Group Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the Balance sheet as at 30 June 2017; the Statement of comprehensive income, the Statement of changes in equity for the year then ended; and the Notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

- 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.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

Abbey Logistics Group Limited

Independent auditors' report to the members of Abbey Logistics Group Limited

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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 30 June 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

Auditors' responsibilities for the audit of the financial statements

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

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

Abbey Logistics Group Limited

Independent auditors' report to the members of Abbey Logistics Group Limited

Use of this report

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.

Other required reporting

Companies Act 2006 exception reporting

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
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Jonathan Studholme (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Liverpool

16 February 2018

Abbey Logistics Group Limited

Statement of comprehensive income For the year ended 30 June 2017

	Note	2017 £	2016 £
Turnover	2	55,008,792	45,096,293
Cost of sales		(46,309,870)	(38,602,014)
Gross profit		8,698,922	6,494,279
Administrative expenses - other		(8,491,146)	(4,616,013)
Exceptional costs	4	(177,880)	-
Total administrative expenses		(8,669,026)	(4,616,013)
Operating profit		29,896	1,878,266
Interest payable and similar charges	3	(583,687)	(702,529)
(Loss)/profit before taxation	4	(553,791)	1,175,737
Tax on (loss)/profit	8	184,368	(199,901)
(Loss)/profit for the financial year		(369,423)	975,836

There was no other comprehensive income in the year (2016: £nil).

All amounts relate to continuing activities.

The notes on pages 12 to 24 form part of these financial statements.

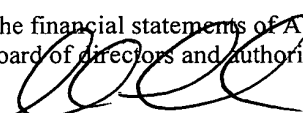
Abbey Logistics Group Limited

Balance sheet

At 30 June 2017

	Note	2017 £	2016 £
Fixed assets			
Intangible assets	10	-	40,688
Tangible assets	11	17,989,369	15,907,012
		<u>17,989,369</u>	<u>15,947,700</u>
Current assets			
Stocks	12	271,998	263,566
Debtors – amounts falling due within one year	13	13,190,580	9,588,443
Cash at bank and in hand		203,358	332,442
		<u>13,665,936</u>	<u>10,184,451</u>
Creditors: amounts falling due within one year	14	(18,358,745)	(13,453,456)
Net current liabilities		<u>(4,692,809)</u>	<u>(3,269,005)</u>
Total assets less current liabilities		13,296,560	12,678,695
Creditors: amounts falling due after more than one year	15	(8,857,604)	(7,536,668)
Provisions for liabilities	16	(601,495)	(582,454)
Net assets		<u>3,837,461</u>	<u>4,573,573</u>
Capital and reserves			
Called-up share capital	17	79,073	79,073
Share premium account		73,227	73,227
Capital redemption reserve		81,527	81,527
Profit and loss account		3,603,634	4,339,746
		<u>3,837,461</u>	<u>4,573,573</u>
Total Shareholders' funds		<u>3,837,461</u>	<u>4,573,573</u>

The financial statements of Abbey Logistics Group Limited (registered number 02484251) were approved by the board of directors and authorised for issue on 16 February 2018. They were signed on its behalf by:


Chris Chambers
Director

The notes on pages 12 to 24 form part of these financial statements.

Abbey Logistics Group Limited

Statement of changes in equity For the year ended 30 June 2017

	Called-up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total shareholders ' funds
	£	£	£	£	£
At 1 July 2015	79,073	73,227	81,527	3,609,302	3,843,129
Profit for the financial year	-	-	-	975,836	975,836
Total comprehensive income	-	-	-	975,836	975,836
Dividends paid on equity shares	-	-	-	(245,392)	(245,392)
At 30 June 2016	79,073	73,227	81,527	4,339,746	4,573,573
Loss for the financial year	-	-	-	(369,423)	(369,423)
Total comprehensive expense	-	-	-	(369,423)	(369,423)
Dividends paid on equity shares	-	-	-	(366,689)	(366,689)
At 30 June 2017	79,073	73,227	81,527	3,603,634	3,837,461

The notes on pages 12 to 24 form part of these financial statements.

Abbey Logistics Group Limited

Notes to the financial statements

For the year ended 30 June 2017

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

a. General information and basis of accounting

Abbey Logistics Group Limited is a private company limited by shares and is incorporated in England and Wales. The address of the registered office is Brasenose Road, Millers Bridge, Bootle, Merseyside, L20 8HE. The nature of the Company's operations and its principal activities are set out in the strategic report on pages 1 and 2.

The financial statements have been prepared under the historical cost convention, in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council and the Companies Act 2006.

The functional currency of Abbey Logistics Group Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

Abbey Logistics Group Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Abbey Logistics Group Limited is consolidated in the financial statements of its ultimate parent, Axle Topco Limited, which may be obtained at Companies House. Exemptions have been taken in these separate Company financial statements in relation to financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The items in the financial statements where judgement is required are:

- Bad debt provision
- Impairment reviews
- Useful economic lives of assets

b. Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the strategic report. The strategic report further describes the financial position of the Company; its cash flows, liquidity position and borrowing facilities; the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments; and its exposure to credit risk and liquidity risk.

Having prepared forecasts covering the next twelve months from the date these financial statements are signed, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

c. 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 of 4 years.

Abbey Logistics Group Limited

Notes to the financial statements For the year ended 30 June 2017

1. Accounting policies (continued)

d. *Tangible fixed assets*

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Plant and machinery 20% - 33%

Motor vehicles 20% - 33%

Fixtures and fittings 20%

Tractors and tanks 7% - 25%

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

e. *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 and loans to related parties.

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

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

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

Abbey Logistics Group Limited

Notes to the financial statements For the year ended 30 June 2017

1. Accounting policies (continued)

e. Financial instruments (continued)

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, 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.

f. Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell.

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

g. Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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 date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, 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 using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

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

Deferred tax assets and liabilities are offset only if: a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Abbey Logistics Group Limited

Notes to the financial statements

For the year ended 30 June 2017

1. Accounting policies (continued)

h. Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- The amount of revenue can be reliably measured;
- It is probable that the company will receive the consideration due under the contract
- The stage of completion of the contract at the end of the reporting period can be measured reliably; and
- The costs incurred and the costs to complete the contract can be reliably measured.

i. Employee benefits

Abbey Logistics Group Limited operates a defined contribution pension 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 as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

j. Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

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

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

Abbey Logistics Group Limited

Notes to the financial statements

For the year ended 30 June 2017

1. Accounting policies (continued)

k. Leases

The Company as lessee

Assets held under finance leases, hire purchase contracts and other similar arrangements, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets at the fair value of the leased asset (or, if lower, the present value of the minimum lease payments as determined at the inception of the lease) and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

l. Exceptional items

The company classifies certain one-off charges or credits that have a material impact on the company's financial results as 'exceptional items'. These are disclosed separately to provide further understanding of the financial performance of the company.

m. Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

n. Dividends

Dividends and other distributions to the company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the shareholders. These amounts are recognised in the statement of changes in equity.

o. Related party transactions

The company discloses transactions with related parties which are not wholly owned within the same group. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the directors, separate disclosure is necessary to understand the effect of the transactions on the company financial statements.

2. Turnover

An analysis of the Company's turnover by class of business is set out below.

	2017 £	2016 £
Turnover:		
Haulage and warehousing	55,008,792	45,096,293
	<u>55,008,792</u>	<u>45,096,293</u>

All turnover arose in the United Kingdom

Abbey Logistics Group Limited

Notes to the financial statements

For the year ended 30 June 2017

3. Interest payable and similar charges

	2017 £	2016 £
Bank interest payable	170,703	108,765
Finance leases and hire purchase contracts	412,984	593,764
	<u>583,687</u>	<u>702,529</u>

4. (Loss)/Profit before taxation

(Loss)/Profit before taxation is stated after charging/(crediting):

	2017 £	2016 £
Depreciation of tangible fixed assets (note 11)	4,279,170	3,451,152
Amortisation of intangible assets (note 10)	40,688	64,889
Operating lease rentals	2,289,654	453,809
(Gain)/Loss on disposal of fixed assets	(35,844)	63,989
Defined contribution pension cost	<u>175,758</u>	<u>149,574</u>

Exceptional costs of £177,880 (2016: £nil) relate to one off legal and professional costs associated with the management buy out.

5. Auditors' remuneration

Fees payable to PricewaterhouseCoopers LLP and their associates for the audit of the company's annual financial statements were £25,000 (2016: £18,000 Grant Thornton LLP).

Fees payable to PricewaterhouseCoopers and their associates for non-audit services to the company are not required to be disclosed because the consolidated financial statements of the parent company are required to disclose such fees on a consolidated basis.

Abbey Logistics Group Limited

Notes to the financial statements

For the year ended 30 June 2017

6. Staff numbers and costs

The average monthly number of employees (including executive directors) was:

	2017 Number	2016 Number
Administration and haulage	579	475

Their aggregate remuneration comprised:

	2017 £	2016 £
Wages and salaries	20,675,283	15,741,495
Social security costs	1,892,103	1,359,288
Other pension costs	175,758	149,574
	<u>22,743,144</u>	<u>17,250,357</u>

7. Directors' remuneration and transactions

	2017 £	2016 £
<i>Directors' remuneration</i>		

Emoluments	593,057	279,069
Company contributions to money purchase pension schemes	18,350	26,201
	<u>611,407</u>	<u>305,270</u>

	Number	Number
The number of directors who:		
Are members of a money purchase pension scheme	6	3

	2017 £	2016 £
Remuneration of the highest paid director:		
Emoluments	<u>172,994</u>	<u>101,979</u>

Directors' advances, credits and guarantees

Details of transactions with directors during the year are disclosed in note 22.

Abbey Logistics Group Limited

Notes to the financial statements For the year ended 30 June 2017

8. Tax on (loss) / profit

The tax charge comprises:

	2017 £	2016 £
Current tax on (loss) / profit		
UK corporation tax	13,620	339,675
Adjustments in respect of previous periods	(17,029)	5,972
Total current tax	(3,409)	345,647
Deferred tax		
Origination and reversal of timing differences	(172,645)	(72,926)
Effect of changes in tax rates	(8,314)	(72,820)
Total deferred tax (see note 16)	(180,959)	(145,746)
Total tax on (loss) / profit	(184,368)	199,901

The standard rate of tax applied to reported profit is 19.75% (2016:20 %).

There is no expiry date on timing differences, unused tax losses or tax credits.

The difference between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the (loss) / profit before taxation is as follows:

	2017 £	2016 £
(Loss)/profit before tax	(553,791)	1,175,737
Tax on (loss)/profit before taxation at standard UK corporation tax rate of 19.75% (2016: 20%)	(109,373)	235,147
Effects of:		
- Expenses not deductible for tax purposes	100,173	23,099
- Fixed asset differences	-	401
- Adjustments in respect of previous periods	(17,029)	5,972
- Adjustments to deferred tax rate	(8,314)	(64,718)
- Group relief	(149,825)	-
Total tax (credit) / charge for the year	(184,368)	199,901

Abbey Logistics Group Limited

Notes to the financial statements For the year ended 30 June 2017

9. Dividends on equity shares

	2017 £	2016 £
Amounts recognised as distributions to equity holders in the year:		
Interim dividend (£4.64 per share)	366,689	245,392
	<u>366,689</u>	<u>245,392</u>

10. Intangible fixed assets

	Goodwill £
Cost	
At 1 July 2016	254,071
At 30 June 2017	<u>254,071</u>
Accumulated Amortisation	
At 1 July 2016	213,383
Charge for the year	40,688
At 30 June 2017	<u>254,071</u>
Net book value	
At 30 June 2016	40,688
At 30 June 2017	<u>-</u>

All of the goodwill detailed above related to the Seafeld acquisition and is now fully amortised.

Abbey Logistics Group Limited

Notes to the financial statements

For the year ended 30 June 2017

11. Tangible assets

	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Tractors and tanks £	Total £
Cost					
At 1 July 2016	703,667	144,145	368,285	33,733,245	34,949,342
Additions	-	16,965	101,012	6,515,404	6,633,381
Disposals	-	(15,417)	-	(591,318)	(606,735)
At 30 June 2017	<u>703,667</u>	<u>145,693</u>	<u>469,297</u>	<u>39,657,331</u>	<u>40,975,988</u>
Accumulated Depreciation					
At 1 July 2016	672,857	126,437	211,940	18,031,098	19,042,332
Charge for the year	30,810	10,895	95,005	4,142,460	4,279,170
Disposals	-	(12,019)	-	(322,864)	(334,883)
At 30 June 2017	<u>703,667</u>	<u>125,313</u>	<u>306,945</u>	<u>21,850,694</u>	<u>22,986,619</u>
Net book value					
At 30 June 2017	<u>-</u>	<u>20,380</u>	<u>162,352</u>	<u>17,806,637</u>	<u>17,989,369</u>
At 30 June 2016	<u>30,810</u>	<u>17,708</u>	<u>156,345</u>	<u>15,702,147</u>	<u>15,907,012</u>
Leased assets included above:					
Net book value					
At 30 June 2017	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,910,105</u>	<u>13,910,105</u>
At 30 June 2016	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,230,866</u>	<u>15,230,866</u>

i. Assets held under finance leases

The Company has leased motor vehicles on leases which are considered to meet the definition of finance leases and are accounted for accordingly.

12. Stocks

	2017 £	2016 £
Fuel and other consumables	271,998	263,566
	<u>271,998</u>	<u>263,566</u>

Abbey Logistics Group Limited

Notes to the financial statements

For the year ended 30 June 2017

13. Debtors: amounts falling due within one year

	2017 £	2016 £
Amounts falling due within one year:		
Trade debtors	9,210,340	7,500,734
Amounts owed by group undertakings	1,321,552	-
Other debtors	167,182	493,366
Called up share capital not paid	4,158	4,158
Prepayments and accrued income	2,487,348	1,590,185
	<u>13,190,580</u>	<u>9,588,443</u>

Amounts owed by group undertakings are unsecured, do not bear interest and are repayable on demand.

14. Creditors: amounts falling due within one year

	2017 £	2016 £
Bank loans and overdrafts	-	290,057
Pension fund loan	-	25,855
Trade creditors	5,481,930	4,055,124
Corporation tax	-	345,647
Other taxation and social security	1,519,134	1,001,344
Obligations under finance leases and hire purchase contracts	3,794,921	2,970,405
Other loans	6,346,879	4,439,518
Other creditors	481,195	-
Accruals and deferred income	734,686	311,506
	<u>18,358,745</u>	<u>13,439,456</u>

The bank overdraft, pension fund loan and other loan are secured against all assets of the company. Net obligations under finance leases and hire purchase contracts are secured against the assets to which they relate. Other loans relate to an invoice financing facility which is secured on the trade debtor balance of the company.

15. Creditors: amounts falling due after more than one year

	2017 £	2016 £
Obligations under finance leases and hire purchase contracts	8,857,604	7,536,668
	<u>8,857,604</u>	<u>7,536,668</u>

Net obligations under finance leases and hire purchase contracts are secured against the assets to which they relate.

Abbey Logistics Group Limited

Notes to the financial statements

For the year ended 30 June 2017

15. Creditors: amounts falling due after more than one year (continued)

Borrowings are repayable as follows:

	2017 £	2016 £
Finance leases		
Less than one year	3,794,921	3,453,201
Between one and five years	8,525,909	7,107,587
After five years	331,695	429,081
	<u>12,652,525</u>	<u>10,507,073</u>

16. Provisions for liabilities

	Dilapidations	Deferred taxation £	Total £
At 1 July 2016	-	(582,454)	(582,454)
(Charged) /credited to profit and loss account	(200,000)	180,959	(20,959)
At 30 June 2017	<u>(200,000)</u>	<u>(401,495)</u>	<u>(601,495)</u>
Total	<u>(200,000)</u>	<u>(401,495)</u>	<u>(601,495)</u>

Deferred tax

Deferred tax is provided as follows:

	2017 £	2016 £
Accelerated capital allowances	401,495	582,454
Provision for deferred tax	<u>401,495</u>	<u>582,454</u>

17. Called up share capital

	2017 £	2016 £
Allotted and fully-paid 79,073 (2016: 79,073) ordinary shares of £1 each	<u>79,073</u>	<u>79,073</u>

The Company's other reserves are as follows:

The share premium account contains the premium arising on issue of equity shares, net of issue expenses.

The profit and loss account includes all current and prior year retained profits and losses.

The capital redemption reserve includes any amount received when the company buys back its shares.

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Notes to the financial statements For the year ended 30 June 2017

18. Financial commitments

Capital commitments are as follows:

	2017 £	2016 £
Contracted for but not provided for	-	1,580,820
	-	1,580,820

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2017 £	2016 £
- within one year	849,275	677,296
- between one and five years	734,271	2,630,893
- after five years	-	1,382,667
	1,583,546	4,690,856

19. Employee benefits

Defined contribution schemes

The Company operates defined contribution retirement benefit schemes for all qualifying employees. The total expense charged to profit or loss in the year ended 30 June 2017 was £175,758 (2016: £149,574).

20. Contingent liabilities

There were no contingent liabilities at 30 June 2017 or 30 June 2016.

21. Subsequent events

On 1 July 2017, the trade and assets of Armet Logistics Limited were hived-up into the company at the net book value of the assets of Armet Logistics Limited at that date. In September 2017 and following a strategic review of activities, the company decided to close its general haulage and Pallet Track division. This closure enables the company to provide a greater focus on the markets and customers where core skills are strongest and we can make a positive impact and bring the most value to customers.

22. Related party transactions

Directors' transactions

During the year, a motor vehicle was leased by the company from a third party at arm's length on behalf of Mr S Granite, Director. The full cost of the lease is paid back to the company by Mr S Granite monthly to ensure that the company is full reimbursed.

23. Controlling party

The immediate parent company is Axle Bidco Limited and the ultimate parent company is Axle Topco Limited. NorthEdge Capital are the ultimate controlling party by virtue of its majority interest in the issued share capital of Axle Topco Limited.

Axle Topco Limited is the largest and smallest group in which the results of the Company are consolidated.