Torque Logistics Limited
(formerly Elite Group Logistics Limited)

Report and Consolidated Financial Statements

30 April 2011

Registered number 2625079

Directors
T S Howarth
E P Darcy
S P Firth
E J Friel

Secretary
E P Darcy

Auditor
Deloitte LLP
Chartered Accountants & Registered Auditor
Leeds

Registered office
The Torque Building
Wortley Moor Road
Wortley
Leeds
LS12 4JH

Directors' report

The directors present their report and consolidated financial statements for the year ended 30 April 2011

On 28th April 2011 E J Friel resigned as company secretary and E P Darcy was appointed company secretary

On 4th May 2011 the company changed its name from Elite Group Logistics Limited to Torque Logistics Limited

Results and dividends

The group profit after taxation for the year amounted to £1 7m (2010 £1 7m) No interim dividend, in respect of 2010, was paid during the year (2010 £0 4m) No final dividend was paid (2010 £Nil) No interim dividend in respect of 2011 will be paid

Principal activities, review of the business, future developments and going concern

The group is a third party logistics provider, specialising in warehousing and distribution, e-commerce and mail order fulfilment as well as pre-retail processing services

The company's principal activity is provision of third party logistics services including international freight and distribution

Group turnover increased by 19% to £46 9m for the year ended 30 April 2011 This growth was principally due to the group gaining new business and continuing to successfully increase business from its existing customer base Operating profit increased to £2 7m and profit before tax increased to £2 5m Profit after tax remained consistent at £1 7m Profit before tax as a percentage of turnover however decreased from 5 8% to 5 3%

The group results have contributed to strengthening the balance sheet with shareholders' funds rising to £17 5m

The group's business strategy continues to be focused on identifying and taking advantage of opportunities to expand its customer base whilst ensuring that existing customers are provided with the highest levels and the widest range of services that can be provided, at competitive prices

To help build long term partnership certainty for its customers, the group focuses on maintaining a strong asset base and positions of high liquidity

To further strengthen the group's position significant investment is being made in expanding the sales and marketing activities of the business As part of this process, and linked to the change of name, the group has gone through a re-branding exercise since the year end in order to improve focus on core values with a view to securing further business and promoting the group and its image to a wider audience

The group has recruited new staff to senior positions and reorganised responsibilities across a wider and stronger management team The directors believe that this will further enable the group to take advantage of business opportunities as they arise

On the basis of current financial projections, facilities available (see note 17) and having assessed the future forecasts, in light of the current economic uncertainty, the directors believe that the company has adequate resources to continue in operational existence for the foreseeable future and, accordingly, consider that it is appropriate to adopt the going concern basis in preparing the Financial Statements

Directors' report (continued)

Principal risks and uncertainties

The directors consider that the key risk for the group is the level of competition within the logistics and warehousing industry The group manages this risk by ensuring that it is offering the highest levels of customer service at competitive prices

The group is funded by shareholders' funds supplemented by variable, variable with cap and fixed rate repayable mortgages secured on the group's property A proportion of these loans are protected against interest rate increases

Post balance sheet events

On the 21 December 2011 the company entered into a 10 year lease for a warehousing facility in Wigan, Lancashire

Directors

The directors during the year ended 30 April 2011 and up to the present date were as listed on page 1

Treasury

The group's treasury operates procedures designed to reduce or eliminate financial risk The policies are approved by the Board and the use of financial instruments is strictly controlled

The group's principal financial instruments comprise bank borrowings, cash and various items, such as trade debtors and trade creditors that arise directly from its operations

Political and charitable donations

During the year, the group made various charitable donations totalling £1,103 (2010 £1,987)

Senior employees of the group give their time to help several local community charities with advice and practical assistance

Disabled employees

The group gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person

Where existing employees become disabled, it is the group's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training, career development and promotion to disabled employees wherever appropriate

Environment

The group recognises the importance of its environmental responsibilities and designs and implements policies to limit the impact of the group's activities Examples include the systematic use of low energy lighting throughout the group's facilities, the operation of recycling facilities at sites to recycle cardboard, plastic and other waste, and the refurbishment and repair of customers' garments to avoid waste

Most of the group's sites are located near residential areas allowing many staff to walk or cycle to work or use public transport

Employee involvement

During the year, the policy of providing employees with information about the group has been continued through regular meetings between local management and employees to allow a free flow of information and ideas These meetings provide a forum for employees to contribute their views to

Directors' report (continued)

the decision-making process and allow management to involve employees in the group's performance targets and goals

Auditor

In the case of each of the persons who are directors of the company at the date when this report was approved

- so far as each of the directors is aware, there is no relevant audit information of which the company's auditor is unaware, and
- each of the directors has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information (as defined) and to establish that the company's auditor is aware of that information

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

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to re-appoint them will be proposed at the forthcoming Annual General Meeting

By order of the board

E P Darcy
Company Secretary

Date 23 January 2012

The Torque Building
Wortley Moor Road
Wortley
Leeds
LS12 4JH

Directors' responsibilities statement in respect of the consolidated financial statements

The directors are responsible for preparing the Annual 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 judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- 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

Independent Auditor's report

To the members of Torque Logistics Limited (formerly Elite Group Logistics Limited)

We have audited the financial statements of Torque Logistics Limited (formerly Elite Group Logistics Limited) for the year ended 30th April 2011 which comprise of the Consolidated Profit and Loss Account, the Consolidated and Parent Company Balance Sheets, the Consolidated Cash Flow Statement and the related notes 1 to 24 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)

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

Respective responsibilities of the directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 30th April 2011 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

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

Independent Auditor's report (continued)

To the members of Torque Logistics Limited (formerly Elite Group Logistics Limited)

Matters on which we are required to report by exception

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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

Simon Manning

Simon Manning (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Registered Auditor
Leeds
25 January 2012

Consolidated profit and loss account

For the year ended 30 April 2011

	Notes	2011 £000	2010 £000
Group turnover			
Continuing operations	2	46,889	39,312
Group operating profit			
Continuing operations	3	2,660	2,624
Interest receivable	6	101	50
Interest payable	7	(306)	(390)
Profit on ordinary activities before taxation		2,455	2,284
Tax on profit on ordinary activities	8	(780)	(591)
Profit on ordinary activities after taxation		1,675	1,693
Equity minority interests	21	11	8
Profit for the financial year	20	1,686	1,701

The group has no other recognised gains or losses other than the profit on ordinary activities after taxation

Consolidated balance sheet

at 30 April 2011

	Notes	*2011* *£000*	*2010* *£000*
Fixed assets			
Tangible assets	11	19,541	20,488
Intangible assets	13	17	7
		19,558	20,495
Current assets			
Stocks	14	1,592	1,479
Debtors	15	9,707	6,656
Cash at bank and in hand		1,456	4,148
		12,755	12,283
Creditors amounts falling due within one year	16	(7,836)	(8,058)
Net current assets		4,919	4,225
Total assets less current liabilities		24,477	24,720
Creditors amounts falling due after more than one year	17	(6,821)	(8,725)
Provisions for liabilities	18	(179)	(193)
Net assets		17,477	15,802
Capital and reserves			
Called up share capital	19	51	51
Capital redemption reserve	20	49	49
Profit and loss account	20	17,394	15,708
Shareholders' funds		17,494	15,808
Minority interests	21	(17)	(6)
Total capital employed		17,477	15,802

The financial statements were approved by the board of directors and authorised for issue on

E J Friel) Director

Date 23 January 2012

Company balance sheet

at 30 April 2011

	Notes	*2011* *£000*	*2010* *£000*
Fixed assets			
Tangible assets	11	19,417	20,464
Investments	12	50	50
		19,467	20,514
Current assets			
Stock	14	35	40
Debtors	15	8,369	5,857
Cash at bank and in hand		1,282	3,922
		9,686	9,819
Creditors amounts falling due within one year	16	(8,005)	(8,475)
Net current assets		1,681	1,344
Total assets less current liabilities		21,148	21,858
Creditors amounts falling due after more than one year	17	(6,821)	(8,725)
Provisions for liabilities	18	(197)	(216)
Net assets		14,130	12,917
Capital and reserves			
Called up share capital	19	51	51
Capital redemption reserve	20	49	49
Profit and loss account	20	14,030	12,817
Total shareholders' funds	20	14,130	12,917

The financial statements of Torque Logistics Limited, registered number 2625079 were approved by the board of directors and authorised for issue on

E J Friel) Director

Date 23 January 2012

Consolidated cash flow statement

for the year ended 30 April 2011

	Note	£000	2011 £000	£000	2010 £000
Net cash inflow from operating activities	23 (a)		1,191		3,559
Returns on investments and servicing of finance					
Interest received		101		50	
Interest paid		(306)		(390)	
			(205)		(340)
Taxation					
Corporation tax paid		(1,094)		(315)	
Corporation tax refunds		139		-	
			(955)		(315)
Acquisitions and disposals					
Additional consideration for purchase of subsidiary undertakings in prior years			(25)		-
Purchase of subsidiary undertakings			-		(15)
Capital expenditure and financial Investment					
Payments to acquire tangible fixed assets		(644)		(272)	
Payments to acquire intangible fixed assets		(20)		(7)	
Receipts from sales of tangible fixed assets		16		5	
			(648)		(274)
Equity dividends paid			-		(450)
Financing					
Repayment of term loan and overdrafts			(2,050)		(1,377)
(Decrease)/increase in cash	23 (b)		(2,692)		788

Notes to the consolidated financial statements

at 30 April 2011

1 Accounting policies

Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with United Kingdom accounting standards The particular accounting policies adopted are described below

Going concern

The financial statements have been prepared on the going concern basis as there is reasonable expectation, based on current financial projections and facilities available (see note 17), that the company has adequate resources to continue in operational existence for the foreseeable future

Fixed assets and depreciation

Depreciation is provided by the group to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows

Freehold buildings	-	4% per annum
Leasehold buildings	-	4% per annum
Plant and machinery	-	10% - 50% per annum
Motor vehicles	-	33% per annum
Office equipment, fixtures and fittings	-	20% - 50% per annum
Computer equipment	-	33% - 50% per annum

Freehold land held by the group is not depreciated

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable

Intangible fixed assets

Goodwill arising on acquisitions representing any excess of the fair value of the consideration given over the fair value of the net assets acquired is capitalised and written off on a straight line basis over its useful economic life, estimated at 4 years Provision is made for any impairments

Acquired trade marks and designs are written off on a straight line basis over their useful economic life, estimated at 4 years

Investments

Investments held as fixed assets are stated at cost less any provision for impairment in value

Leasing commitments

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the term of the lease

Assets held under finance leases and other similar contracts, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and are depreciated over the useful life of the asset

Stocks

Stocks are stated at the lower of cost and net realisable value

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date All differences are taken to the profit and loss account

There are no subsidiaries in the group reporting in currencies other than Sterling

Notes to the consolidated financial statements

at 30 April 2011

1. Accounting policies (continued)

Pensions

The group operates a defined contribution pension scheme Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially 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

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

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date Deferred tax is not discounted

Basis of consolidation

The group financial statements consolidate the financial statements of Torque Logistics Limited and all of its subsidiary undertakings up to 30 April 2011 The subsidiary undertakings have been accounted for under the acquisition method of accounting No profit and loss account is presented for Torque Logistics Limited as permitted by section 408 of the Companies Act 2006

2 Turnover and segmental analysis

Turnover represents the amounts (net of Value Added Tax) derived from the provision of services to customers during the year Additional revenue, not included within turnover, was generated in respect of Import Value Added Tax and Customs Duty where the company acts as agent on behalf of customers Matching expenditure is also excluded from external charges

Turnover is recognised upon completion of services as defined in contractual agreements

	2011	*2010*
	£000	*£000*
Gross turnover	73,450	53,434
Customs duties and taxes	(26,561)	(14,122)
Net turnover	46,889	39,312

During the year, the group operated in only one significant business segment, the provision of third party logistic services, and one significant geographical area, the United Kingdom

Notes to the consolidated financial statements

at 30 April 2011

3 Group operating profit

Group operating costs are analysed as follows

	2011	2010
	£000	£000
Change in stocks of finished goods and in work in progress	(113)	(228)
Raw materials and consumables	1,652	1,844
Other external charges	30,216	22,847
Staff costs	10,878	10,633
Depreciation and other impairments to owned tangible fixed assets	1,490	1,503
Depreciation and other impairments to leased tangible fixed assets	90	89
Profit on disposal of fixed assets	(5)	(5)
Amortisation	10	5
	44,217	36,688

	2011	2010
	£000	£000
Group operating profit is stated after charging / (crediting)		
Charitable donations	1	2
Auditor remuneration		
- Fees payable to the company's auditor for the audit of the company's annual financial statements	18	17
- The audit of the company's subsidiaries pursuant to legislation	7	6
- Tax services	14	33
Depreciation and other impairments to owned tangible fixed assets	1,490	1,503
Depreciation and impairments to leased tangible fixed assets	90	89
Operating lease rentals - land and buildings	153	142
Operating lease rentals - plant and machinery	308	384
Amortisation	10	5

4 Directors' emoluments

	2011	2010
	£000	£000
Directors' emoluments	355	393
Company contributions to money purchase pension schemes	8	8
	363	401

Retirement benefits are accruing to 2 directors (2010 2) under a money purchase pension scheme

Notes to the consolidated financial statements
at 30 April 2011

4. Directors' emoluments (continued)

Highest paid director		
Emoluments for qualifying services	152	151
Company contributions to money purchase pension schemes	5	5
	157	156

5 Staff numbers and costs

The average number of persons employed by the group (including directors but excluding agency staff) during the year, analysed by category, was as follows

	Number of Employees	
	2011	*2010*
Operations	397	383
Administration and management	159	133
	556	516

The aggregate payroll costs of these persons were as follows -

	Group		*Company*	
	2011	*2010*	*2011*	*2010*
	£000	*£000*	*£000*	*£000*
Wages and salaries	9,966	9,623	9,744	9,235
Social security costs	871	841	849	807
Pension costs (a)	41	49	40	39
	10,878	10,513	10,633	10,081

(a) The group operates a defined contribution pension scheme for employees who wish to participate The assets of the scheme are held separately from those of the group in an independently administered fund Unpaid pension contributions outstanding at the year-end, included in "Other Creditors" (Note 16) are £5,971 (2010 £4,581)

6 Interest receivable

	2011	*2010*
	£000	*£000*
Bank interest receivable	9	50
Other interest	92	-
	101	50

Notes to the consolidated financial statements
at 30 April 2011

7 Interest payable

	2011 £000	2010 £000
Bank interest payable	306	390

8 Taxation

	2011 £000	2010 £000
Domestic current tax year		
Current tax charge		
UK corporation tax	804	674
Adjustments in respect of prior years	(10)	(134)
Total current tax	794	540
Deferred tax		
Origination and reversal of timing differences	6	58
Effects of rate changes	(17)	-
Adjustments in respect of prior years	(3)	(7)
Total deferred tax	(14)	(51)
Total tax	780	591

Factors affecting the tax charge for the period	2011 £000	2010 £000
Profit on ordinary activities before taxation	2,467	2,284
Profit on ordinary activities before taxation multiplied by the effective rate of UK corporation tax of 27 84% (2010 Standard rate of 28%)	687	639
Effects of		
Non deductible expenses	127	89
Depreciation in excess of capital allowances	(17)	(46)
Non taxable income	(10)	-
Other tax adjustments	17	(8)
Adjustment in respect of prior years	(10)	(134)
	107	(99)
Current tax charge	794	540

Deferred taxation	Group 2011 £000	Group 2010 £000	Company 2011 £000	Company 2010 £000
Movement in the year				
At 1 May	(193)	(142)	(216)	(172)
Charge for the year	14	(51)	19	(46)
Transferred from subsidiary undertakings	-	-	-	2
At 30 April	(179)	(193)	(197)	(216)

Notes to the consolidated financial statements

at 30 April 2011

8 Taxation (continued)

	Group		Company	
	2011	*2010*	*2011*	*2010*
	£000	*£000*	*£000*	*£000*
Analysed as follows				
Accelerated tax depreciation on fixed assets	(208)	(211)	(226)	(234)
Short-term timing differences	29	18	29	18
	(179)	(193)	(197)	(216)

The liabilities above are included within note 18 There was no unprovided deferred tax in the group or the company in the current or prior year

The government announced in June 2010 that it intended to reduce the rate of corporation tax from 28% to 24% over four years, and the Finance Act 2010, which was substantively enacted in July 2010, included provisions to reduce the rate of corporation tax to 27% with effect from 1st April 2011 Accordingly, deferred tax balances have been revalued to the lower rate of 27% in these financial statements, which has resulted in a credit to the profit and loss account and a debit to reserves of £17,349

On 23rd March 2011 the government announced that it intends to further reduce the rate of corporation tax to 26% with effect from 1st April 2011 and then by 1% per annum to 23% by 1st April 2014 As this legislation was not substantively enacted by the 30th April 2011, the impact of the anticipated rate change is not reflected in the tax provisions reported in these financial statements If the deferred tax assets and liabilities of the group were all to reverse after 1st April 2014, the effect of the changes from 27% to 23% would be to reduce the net deferred tax liability by £26,000 To the extent that the deferred tax reverses more quickly than this the impact on the net deferred tax liability will be reduced

9 Dividends

	2011	*2010*
	£000	*£000*
No interim dividend in respect of 2010 was paid, (2010 £8 82) per share	-	450

No interim dividend in respect of 2011 will be paid

10. Profit of parent company

As permitted by Section 408 of the Companies Act, the profit and loss account of the parent company is not presented as part of these financial statements The parent company's profit for the financial year amounted to £1,213,000 (2010 £1,113,000)

Notes to the consolidated financial statements

at 30 April 2011

11. Tangible fixed assets

Group

	Freehold land and buildings £000	Leasehold land and buildings £000	Plant and machinery £000	Computers and office equipment £000	Motor vehicles £000	Total £000
Cost						
At 1 May 2010	18,942	-	8,856	3,401	481	31,680
Reclassification	(2,197)	2,197	-	-	-	-
Additions	-	7	211	297	129	644
Disposals	-	-	(24)	(8)	(62)	(94)
At 30 April 2011	16,745	2,204	9,043	3,690	548	32,230
Depreciation						
At 1 May 2010	2,316	-	5,834	2,674	368	11,192
Reclassification	(318)	318	-	-	-	-
Charge for the year	468	90	560	374	88	1,580
Disposals	-	-	(14)	(8)	(61)	(83)
At 30 April 2011	2,466	408	6,380	3,040	395	12,689
Net book value						
At 30 April 2011	14,279	1,796	2,663	650	153	19,541
At 30 April 2010	16,626	-	3,022	727	113	20,488

Company

	Freehold land and buildings £000	Leasehold land and buildings £000	Plant and machinery £000	Computers and office equipment £000	Motor vehicles £000	Total £000
Cost						
At 1 May 2010	18,942	-	8,235	3,278	377	30,832
Reclassification	(2,197)	2,197	-	-	-	-
Additions	-	7	203	253	39	502
Disposals	-	-	(13)	-	(36)	(49)
At 30 April 2011	16,745	2,204	8,425	3,531	380	31,285
Depreciation						
At 1 May 2010	2,316	-	5,221	2,556	275	10,368
Reclassification	(318)	318	-	-	-	-
Charge for the year	468	90	553	368	60	1,539
Disposals	-	-	(3)	-	(36)	(39)
At 30 April 2011	2 466	408	5,771	2,924	299	11,868
Net book value						
At 30 April 2011	14,279	1,796	2,654	607	81	19,417
At 30 April 2010	16,626	-	3,014	722	102	20,464

Notes to the consolidated financial statements
at 30 April 2011

11 Tangible fixed assets (continued)

The directors do not believe there is any significant difference between the book value of freehold or leasehold land and buildings and the current market value of those assets

Freehold land held by the group and company totalling £5,126,804 (2010 £5,126,804), which is not depreciated, is held within freehold land and buildings

12. Fixed asset investments

Company	*2011* *£000*	*2010* *£000*
Investment in subsidiary undertaking		
At 1 May	3,737	2,737
Additions	800	1,000
At 30 April	4,537	3,737
Provisions for impairment		
At 1 May	3,687	2,170
Written off	-	517
Additions	800	1,000
At 30 April	4,487	3,687
Net book value		
At 30 April	50	50

During the year the company invested additional funds of £800,000 (2010 £1,000,000) in subsidiary undertakings Following a review of the carrying value of these investments an equivalent impairment charge has been recorded

The parent company and the group have investments in the following subsidiary undertakings and associates which affect the profits and net assets of the group To avoid a statement of excessive length, details of investments which are not significant have been omitted

Subsidiary undertakings	*Principal activity*	*Class of shares*	*Percentage held*
Torque Retail Services Limited - registered in England *(changed name from Elite Retail Services Limited on 28 April 2011)*	Provision of warehousing and related services	£1 ordinary shares	100%
Tippitoes Limited - registered in Guernsey	Production and supply of own brand of products for babies and young children	£1 ordinary shares	100%
Portland International Cargo Limited - registered in England	Freight forwarding until 30 September 2009, Dormant thereafter	£1 ordinary shares	100%
Baroo Ltd - registered in England	Production and supply of own brand of products for babies and young children	£1 ordinary shares	70%

Notes to the consolidated financial statements
at 30 April 2011

12. Fixed asset investments (continued)

Subsidiary undertakings	Principal activity	Class of shares	Percentage held
Tippitoes (UK) Limited - registered in England	Production and supply of own brand of products for babies and young children	£1 ordinary shares	100%

In the opinion of the directors the investments in and amounts due from the company's subsidiary undertakings are worth at least the amount at which they are stated in the company's balance sheet

Associates	Principal activity	Class of shares	Percentage held
Upbeat Social Enterprises Community Interest Company - registered in England	Local charitable activities	£1 ordinary shares	25%

13 Intangible fixed assets

Group	Trade marks and designs £000	Goodwill £000	Negative goodwill £000	Total £000
Cost				
At 1 May 2010	41	442	(5)	478
Additions	20	-	-	20
At 30 April 2011	61	442	(5)	498
Amortisation				
At 1 May 2010	34	442	(5)	471
Charge for the year	10	-	-	10
At 30 April 2011	44	442	(5)	481
Net book value				
At 30 April 2011	17	-	-	17
At 30 April 2010	7	-	-	7

14 Stocks

	Group		Company	
	2011 £000	2010 £000	2011 £000	2010 £000
Raw materials and consumables	35	40	35	40
Work in progress and finished goods	1,454	1,051	-	-
Payments on account	103	388	-	-
	1,592	1,479	35	40

There is no material difference between the balance sheet value of stock and their replacement cost

Notes to the consolidated financial statements

at 30 April 2011

15. Debtors

	Group		Company	
	2011	2010	2011	2010
	£000	£000	£000	£000
Trade debtors	8,679	6,006	7,753	4,985
Amounts due from subsidiary undertakings	-	-	63	386
Other debtors	463	310	231	263
Prepayments and accrued income	565	340	322	223
	9,707	6,656	8,369	5,857

Included within group and company trade debtors are amounts owed to the company in relation to customs duties and taxes totalling £1,245,981 (2010 £358,951) which are not included within turnover as explained in Note 2

Amounts due from subsidiary undertakings are unsecured, interest free and repayable on demand

16 Creditors amounts falling due within one year

	Group		Company	
	2011	2010	2011	2010
	£000	£000	£000	£000
Bank loans	1,333	1,479	1,333	1,469
Trade creditors	2,014	2,068	1,976	2,011
Amounts due to subsidiary undertakings	-	-	344	301
Corporation tax	381	617	386	730
Other taxes and social security	790	468	762	587
Other creditors	126	139	124	159
Accruals and deferred income	3,192	3,287	3,080	3,218
	7,836	8,058	8,005	8,475

Included within group and company accruals and deferred income are amounts owed by the company on behalf of customers in relation to customs duties and taxes totalling £1,290,764 (2010 £1,192,956) which are not included within external charges as explained in Note 2

Notes to the consolidated financial statements

at 30 April 2011

17 Creditors amounts falling due after more than one year

	Group		Company	
	2011	*2010*	*2011*	*2010*
	£000	*£000*	*£000*	*£000*
Bank loans	6,821	8,725	6,821	8,725
Analysis of loans				
Between one and two years	1,416	1,555	1,416	1,555
Between two and five years	4,121	4,474	4,121	4,474
Repayable after five years	1,284	2,696	1,284	2,696

The company had seven separate loans used to acquire the company's land and buildings On the 28th April 2011 the company repaid one of the variable rate loans in full which at that point had £570,802 outstanding The remaining six loans had a repayment term of 10 years at inception and will be fully repaid between 2013 and 2017 Three of the loans, representing 35% of the year end liability, have fixed rate interest rates varying between 6 235% and 6 845%, the remainder of the loans have variable interest rates based on LIBOR plus a fixed margin In April 2009 the company entered into an agreement with the lender to cap the interest rates of three of the remaining variable rate loans at 3% plus a fixed margin, this agreement will remain in place for 3 years until April 2012 In August 2011 the three variable rate loans were converted into one single variable rate loan All these loans are secured by way of mortgages over the freehold properties plus a debenture with fixed and floating charges over the company's assets

18 Provisions for liabilities

	Deferred taxation £000
Group	
Balance as at 1 May 2010	193
Charged in the year	5
Utilised in the year	(19)
Balance as at 30 April 2011	179

	Deferred taxation £000
Company	
Balance as at 1 May 2010	216
Utilised in the year	(19)
Balance as at 30 April 2011	197

19 Called up share capital

	2011	*2010*
	£000	*£000*
Allotted, called up and fully paid		
Ordinary shares of £1 each	51	51

Notes to the consolidated financial statements
at 30 April 2011

20. Reconciliation of movements in shareholders' funds

Group	*Share capital £000*	*Capital redemption reserve £000*	*Profit and loss account £000*	*Total shareholders' funds £000*
At 1 May 2009	51	49	14,457	14,557
Profit for the year	-	-	1,701	1,701
Equity dividends paid	-	-	(450)	(450)
At 30 April 2010 and 1 May 2010	51	49	15,708	15,808
Profit for the year	-	-	1,686	1,686
At 30 April 2011	51	49	17,394	17,494
Company				
At 1 May 2010	51	49	12,154	12,254
Profit for the year	-	-	1,113	1,113
Equity dividend paid	-	-	(450)	(450)
At 30 April 2010 and 1 May 2010	51	49	12,817	12,917
Profit for the year	-	-	1,213	1,213
At 30 April 2011	51	49	14,030	14,130

21 Minority interests

	£000
As at 1 May 2010	(6)
Minority interest share of losses on ordinary activities after taxation	(11)
As at 30 April 2011	(17)

The minority interest reflects the 30% of the issued share capital of Baroo Ltd not owned by the group

22 Contingent liabilities and commitments

i) Annual commitments under non-cancellable leases are as follows

	Land and buildings 2011 £000	*Other 2011 £000*	*Land and buildings 2010 £000*	*Other 2010 £000*
Leases which expire				
Within one year	-	38	88	49
Within two to five years	110	-	-	16
After five years	39	-	39	-
	149	38	127	65

Notes to the consolidated financial statements
at 30 April 2011

22. Contingent liabilities and commitments (continued)

ii) In a debenture dated 12 October 1994, Torque Logistics Limited (formerly Elite Group Logistics Limited) has undertaken to provide financial support to Torque Retail Services Limited (formerly Elite Retail Services Limited), a subsidiary undertaking Under the terms of the debenture any amounts loaned to Torque Retail Services Limited are secured by fixed and floating charges over that company's assets At 30 April 2011 the amounts owed by Torque Retail Services Limited amounted to £Nil (2010 £Nil)

iii) At 30 April 2011 the company, through it's bankers, had given a guarantee of £600,000 (2010 £600,000) to HM Revenue & Customs in respect of the deferment of import VAT and duty

iv) Subsequent to the year end, on the 21 December 2011 the company entered into a 10 year lease for a warehousing facility in Wigan, Lancashire The terms of that lease include a lessee-only break option, executable upon the fifth anniversary date of the lease

23 Notes to the Statement of Cash Flows

(a) Reconciliation of operating profit to net cash inflow from operating activities

	2011	*2010*
	£000	*£000*
Operating profit	2,660	2,624
Depreciation and amortisation	1,590	1,597
Profit on disposal of fixed assets	(5)	(5)
Increase in stocks	(113)	(225)
(Increase) / decrease in debtors	(3,051)	5,026
Increase / (decrease) in creditors	110	(5,458)
Net cash inflow from operating activities	1,191	3,559

(b) Analysis of net debt

	1 May 2010	*Cash flows*	*30 April 2011*
Cash at bank and in hand	4,148	(2,692)	1,456
Debt due within one year	(1,479)	146	(1,333)
Debt due after one year	(8,725)	1,904	(6,821)
Net debt	(6,056)	1,191	3,559

Notes to the consolidated financial statements

at 30 April 2011

23. Notes to the Statement of Cash Flows (continued)

(c) Reconciliation of net cash flow to movement in net debt

	2011 £000	2010 £000
(Decrease) / increase in cash in the year	(2,692)	788
Cashflow from movement in debt financing	2,050	1,377
Change in net debt resulting from cash flows	(642)	2,165
Net debt at start of the year	(6,056)	(8,221)
Net debt at end of year	(6,698)	(6,056)

24 Related party transactions

During the year the company entered into transactions with several companies who the directors consider to be related to Torque Logistics Limited (formerly Elite Group Logistics Limited) due to the following reasons

Elite Group Asia Limited sourced various sundry consumables and stock items from the Far East at fair market prices The total value of purchases from this company for the year was £31,741 (2010 - £51,073), of which £Nil (2010 – £nil) was outstanding at the year end Elite Group Asia Limited and Torque Logistics Limited (formerly Elite Group Logistics Limited) share some common shareholders

Nopi Limited provides various consultancy services to the company at fair market prices The total value of purchases for the year was £59,595 (2010 - £128,919), of which £34,000 (2010 - £34,000) was outstanding at the year end T S Howarth, a director of Torque Logistics Limited (formerly Elite Group Logistics Limited) is the beneficial owner of Nopi Limited

Baroo Ltd, a 70% owned subsidiary, supplies a range of nursery bedding and accessories to Tippitoes Limited, a wholly owned subsidiary of Torque Logistics Limited in the ordinary course of business In 2011 the value of these supplies totalled £1,872 (2010 £4,421) of which £287 (2010 £nil) was outstanding at the year end Tippitoes Limited also supplies goods in the ordinary course of business to Baroo Ltd, the value of these supplies in 2011 totalled £45 (2010 £158) of which £nil (2010 £nil) was outstanding at the year end

Hamilton Trustees Limited provides administrative and secretarial services to subsidiaries of the company at fair market prices The total value of services for the year was £48,293 (2010 - £35,508) of which £nil (2010 - £nil) was outstanding at the year end T S Howarth, a director of Torque Logistics Limited (formerly Elite Group Logistics Limited) is the beneficial owner of Hamilton Trustees Limited