Torque Logistics Limited

Report and Consolidated Financial Statements

30 April 2013

Registered number 2625079

Contents

Directors

E P Darcy
S P Firth
E J Friel (resigned 4 June 2013)
T S Howarth

Secretary

E P Darcy

Auditor

Deloitte LLP
Chartered Accountants & Statutory 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 2013

Results and dividends

The group profit after taxation for the year amounted to £0 4m (2012 £0 8m) No interim or final dividend, in respect of 2012, was paid during the year (2012 £nil) No interim or final dividend, in respect of 2013, will be paid

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

The group is a third party logistics provider, specialising in international distribution, warehousing, pre-retail processing and e-fulfilment services

The company's principal activity is the provision of third party logistics services

Group turnover increased by 6 9% to £53 2m for the year ended 30 April 2013 This growth was principally due to the group winning new business Operating profit was £1 0m and profit before tax was £0 7m Profit before tax as a percentage of turnover was 1 4%

The group results have contributed to strengthening the balance sheet with shareholders' funds rising to £18 6m

To further strengthen the group's position considerable investment continues to be made in expanding the sales and marketing activities of the business Further investment has also been made in specialist pre-retail processing equipment and in information technology, hardware and software, in order to ensure the group remains ahead of its competitors in providing customers with leading edge tailored logistics solutions

The group has also 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

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

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

The directors have considered going concern, of which further details are included in note 1 to the consolidated financial statements

Directors

The directors during the year ended 30 April 2013 and up to the present date were as listed on page 1

Principal risks and uncertainties

Competition

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 offers the highest levels of customer service at competitive prices

Directors' report (continued)

Exchange rate risk

The group's activities expose it to the financial risk of changes in foreign currency exchange rates The group uses foreign exchange forward contracts to hedge these exposures

Credit risk

The group's principal financial assets are bank balances and cash, trade and other debtors, and investments The group's credit risk is primarily attributable to its trade debtors The amounts presented in the balance sheet are net of provisions for bad and doubtful debts A provision for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of any financial asset

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies

The group has no other significant concentration of credit risk, with exposure spread over a large number of counterparties and customers

Liquidity risk

The group is funded by shareholders' funds supplemented by variable and fixed rate repayable mortgages secured on the group's property

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 £22,422 (2012 £10,544)

Senior employees of the group also 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' products 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

Directors' report (continued)

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 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 31st January 2014

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 group and 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

We have audited the financial statements of Torque Logistics Limited for the year ended 30th April 2013 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 23 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 2013 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

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

M Overfield

Mark Overfield BSc FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Leeds

Date 31 January 2014

Consolidated profit and loss account

For the year ended 30 April 2013

	Notes	2013 £000	2012 £000
Group turnover			
Continuing operations	2	53,165	49,752
Group operating profit			
Continuing operations	3	1,033	1,524
Interest receivable	6	13	1
Interest payable	7	(300)	(298)
Profit on ordinary activities before taxation		746	1,227
Tax on profit on ordinary activities	8	(339)	(451)
Profit on ordinary activities after taxation		407	776
Equity minority interests	20	25	11
Profit for the financial year	19	432	787

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

Consolidated balance sheet

at 30 April 2013

	Notes	2013 £000	2012 £000
Fixed assets			
Tangible assets	10	18,882	19,449
Intangible assets	12	13	23
		18,895	19,472
Current assets			
Stocks	13	2,007	1,915
Debtors	14	9,712	10,431
Cash at bank and in hand		4,086	3,673
		15,805	16,019
Creditors amounts falling due within one year	15	(10,402)	(10,699)
Net current assets		5,403	5,320
Total assets less current liabilities		24,298	24,792
Creditors amounts falling due after more than one year	16	(5,520)	(6,343)
Provisions for liabilities	17	(118)	(196)
Net assets		18,660	18,253
Capital and reserves			
Called up share capital	18	51	51
Capital redemption reserve	19	49	49
Profit and loss account	19	18,613	18,181
Shareholders' funds		18,713	18,281
Minority interests	20	(53)	(28)
Total capital employed		18,660	18,253

The financial statements were approved by the board of directors and authorised for issue on 31st January 2014

S P Firth
Director

Date 31st January 2014

Company balance sheet
at 30 April 2013

	Notes	2013 £000	2012 £000
Fixed assets			
Tangible assets	10	18,791	19,326
Investments	11	50	50
		18,841	19,376
Current assets			
Stock	13	60	45
Debtors	14	8,270	9,212
Cash at bank and in hand		3,585	3,269
		11,915	12,526
Creditors amounts falling due within one year	15	(10,094)	(10,857)
Net current assets		1,821	1,669
Total assets less current liabilities		20,662	21,045
Creditors amounts falling due after more than one year	16	(5,520)	(6,343)
Provisions for liabilities	17	(132)	(212)
Net assets		15,010	14,490
Capital and reserves			
Called up share capital	18	51	51
Capital redemption reserve	19	49	49
Profit and loss account	19	14,910	14,390
Total shareholders' funds	19	15,010	14,490

The financial statements of Torque Logistics Limited, (registered number 2625079) were approved by the board of directors and authorised for issue on 31st January 2014

S P Firth
Director

Date 31st January 2014

Consolidated cash flow statement

for the year ended 30 April 2013

	Note	£000	2013 £000	£000	2012 £000
Net cash inflow from operating activities	22 (a)		3,084		5,397
Returns on investments and servicing of finance					
Interest received		13		1	
Interest paid		(287)		(298)	
			(274)		(297)
Taxation					
Corporation tax paid		(349)		(701)	
			(349)		(701)
Capital expenditure and financial Investment					
Payments to acquire tangible fixed assets		(858)		(1,095)	
Payments to acquire intangible fixed assets		(3)		(16)	
Receipts from sales of tangible fixed assets		17		47	
			(844)		(1,064)
Financing					
Repayment of finance leases			(125)		-
Repayment of term loan and overdrafts			(1,079)		(1,118)
Increase/(decrease) in cash	22 (b)		413		(2,217)

Notes to the consolidated financial statements
at 30 April 2013

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 group's business activities, together with the principal risks and uncertainties likely to affect its future development, performance and position are set out in the directors' report on pages 2 to 3

The financial statements have been prepared on the going concern basis as there is reasonable expectation, based on the directors' assessment of current sensitivity-tested financial projections and facilities available (see note 16), 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	-	25% - 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 The capital elements of future finance 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 consistent rate of charge on the balance of capital repayments outstanding

Stocks

Stocks are stated at the lower of cost and net realisable value Provision is made for obsolete, slow moving or defective items where appropriate

Notes to the consolidated financial statements
at 30 April 2013

1 Accounting policies (continued)

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

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 2013 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

	2013	*2012*
	£000	*£000*
Gross revenue	90,813	78,633
Customs duties and taxes revenue	(37,648)	(28,881)
Group turnover	53,165	49,752

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 2013

3 Group operating profit

Group operating costs are analysed as follows

	2013 £000	2012 £000
Change in stocks of finished goods and in work in progress	(217)	(323)
Raw materials and consumables	2,154	2,350
Other external charges	35,978	31,966
Staff costs	12,430	12,602
Depreciation and other impairments to owned tangible fixed assets	1,549	1,571
Depreciation and other impairments to leased tangible fixed assets	238	89
Profit on disposal of fixed assets	(13)	(37)
Amortisation	13	10
	52,132	48,228

	2013 £000	2012 £000
Group operating profit is stated after charging		
Charitable donations	22	11
Auditor remuneration		
- Fees payable to the company's auditor for the audit of the company's annual financial statements	22	13
- The audit of the company's subsidiaries pursuant to legislation	9	14
- Tax services	16	15
Depreciation and other impairments to owned tangible fixed assets	1,549	1,571
Depreciation and impairments to leased tangible fixed assets	238	89
Operating lease rentals - land and buildings	496	270
Operating lease rentals - plant and machinery	352	384
Amortisation	13	10

4 Directors' emoluments

	2013 £000	2012 £000
Directors' emoluments	443	355
Company contributions to money purchase pension schemes	8	8
	451	363

Retirement benefits are accruing to 1 director (2012 2) under a money purchase pension scheme

Highest paid director		
Emoluments for qualifying services	240	151
Company contributions to money purchase pension schemes	5	5
	245	156

Notes to the consolidated financial statements

at 30 April 2013

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	
	2013	*2012*
Operations	411	433
Administration and management	188	174
	599	607

The aggregate payroll costs of these persons were as follows -

	Group		*Company*	
	2013	*2012*	*2013*	*2012*
	£000	*£000*	*£000*	*£000*
Wages and salaries	11,424	11,580	7,169	10,415
Social security costs	959	977	629	877
Pension costs (a)	47	45	42	42
	12,430	12,602	7,840	11,334

(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 15) are £9,812 (2012 £7,774)

6 Interest receivable

	2013	*2012*
	£000	*£000*
Bank interest receivable	13	1
	13	1

7 Interest payable

	2013	*2012*
	£000	*£000*
Bank interest payable	271	298
Finance lease interest	29	-
	300	298

Notes to the consolidated financial statements
at 30 April 2013

8 Taxation

	2013 £000	2012 £000
Domestic current tax year		
Current tax charge		
UK corporation tax	417	434
Deferred tax		
Origination and reversal of timing differences	(59)	33
Effects of rate changes	(5)	(16)
Adjustment in respect of prior year	(14)	-
Total deferred tax	(78)	17
Total tax	339	451

Factors affecting the tax charge for the period	2013 £000	2012 £000
Profit on ordinary activities before taxation	746	1,228
Profit on ordinary activities before taxation multiplied by the effective rate of UK corporation tax of 23 9% (2012 effective rate of 25 8%)	178	317
Effects of		
Non deductible expenses	129	143
Depreciation in excess of capital allowances	45	(14)
Land redemption relief	(2)	-
Other tax adjustments	19	(12)
Adjustment in respect of prior years	48	-
	239	117
Current tax charge	417	434

Deferred taxation	Group		Company	
	2013 £000	2012 £000	2013 £000	2012 £000
Movement in the year				
At 1 May	(196)	(179)	(212)	(197)
(Credit) / charge for the year	78	(17)	80	(15)
At 30 April	(118)	(196)	(132)	(212)

Notes to the consolidated financial statements
at 30 April 2013

8 Taxation (continued)

	Group		Company	
	2013	2012	2013	2012
	£000	£000	£000	£000
Analysed as follows				
Accelerated tax depreciation on fixed assets	(176)	(209)	(176)	(225)
Short-term timing differences	58	13	44	13
	(118)	(196)	(132)	(212)

The liabilities above are included within note 17 There was no unprovided deferred tax in the group or the company in the current or prior year

9 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 £520,000 (2012 £360,000)

10 Tangible fixed assets

Group	Freehold land and buildings	Leasehold land and buildings	Plant and machinery	Computers and office equipment	Motor vehicles	Total
	£000	£000	£000	£000	£000	£000
Cost						
At 1 May 2012	16,956	2,232	9,589	4,188	623	33,588
Additions	-	23	303	478	421	1,225
Disposals	-	-	-	(1)	(73)	(74)
At 30 April 2013	16,956	2,255	9,892	4,665	971	34,739
Depreciation						
At 1 May 2012	2,938	497	6,840	3,445	419	14,139
Charge for the year	576	-	660	399	152	1,787
Disposals	-	-	-	(1)	(68)	(69)
At 30 April 2013	3,514	497	7,500	3,843	503	15,857
Net book value						
At 30 April 2013	13,442	1,758	2,392	822	468	18,882
At 30 April 2012	14,018	1,735	2,749	743	204	19,449

Notes to the consolidated financial statements
at 30 April 2013

10 Tangible fixed assets (continued)

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 2012	16,956	2,232	9,069	4,017	436	32,710
Additions	-	23	303	463	401	1,190
Disposals	-	-	-	-	(52)	(52)
At 30 April 2013	16,956	2,255	9,372	4,480	785	33,848
Depreciation						
At 1 May 2012	2,938	497	6,345	3,314	290	13,384
Charge for the year	487	89	649	378	117	1,720
Disposals	-	-	-	-	(47)	(47)
At 30 April 2013	3,425	586	6,994	3,692	360	15,057
Net book value						
At 30 April 2013	13,531	1,669	2,378	788	425	18,791
At 30 April 2012	14,018	1,735	2,724	703	146	19,326

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 (2012 £5,126,804), which is not depreciated, is held within freehold land and buildings

Included within plant and machinery of both the company and group are assets acquired during the year under finance lease agreements These assets were capitalised at a cost of £402,094 (2012 £527,384), depreciation was charged during the year of £148,906 (2012 £32,288) and the book value of these assets at the 30th April 2013 was £748,284 (2012 £495,096)

Notes to the consolidated financial statements
at 30 April 2013

11 Fixed asset investments

Company	*2013*	*2012*
	£000	*£000*
Investment in subsidiary undertaking		
At 1 May	5,387	4,537
Additions	-	850
At 30 April	5,387	5,387
Provisions for impairment		
At 1 May	5,337	4,487
Additions	-	850
At 30 April	5,337	5,337
Net book value		
At 30 April	50	50

During the year the company invested additional funds of £Nil (2012 £850,000) in subsidiary undertakings Following a review of the carrying value of these investments an impairment charge has been recorded of £Nil (2012 £850,000)

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	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%
Baroo Ltd - registered in England	Production and supply of own brand of products for babies and young children	£1 ordinary shares	70%
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

* Indicates an investment held indirectly

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

Notes to the consolidated financial statements
at 30 April 2013

12 Intangible fixed assets

Group	*Trade marks and designs* *£000*	*Goodwill* *£000*	*Negative goodwill* *£000*	*Total* *£000*
Cost				
At 1 May 2012	77	442	(5)	514
Additions	9	-	-	9
Disposals	(9)	-	-	(9)
At 30 April 2013	77	442	(5)	514
Amortisation				
At 1 May 2012	54	442	(5)	491
Charge for the year	13	-	-	13
Disposals	(3)	-	-	(3)
At 30 April 2013	64	442	(5)	501
Net book value				
At 30 April 2013	13	-	-	13
At 30 April 2012	23	-	-	23

13 Stocks

	Group		*Company*	
	2013 *£000*	*2012* *£000*	*2013* *£000*	*2012* *£000*
Raw materials and consumables	58	82	60	45
Work in progress and finished goods	1,818	1,529	-	-
Payments on account	131	304	-	-
	2,007	1,915	60	45

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

14 Debtors

	Group		*Company*	
	2013 *£000*	*2012* *£000*	*2013* *£000*	*2012* *£000*
Trade debtors	7,508	8,470	5,598	7,375
Amounts due from subsidiary undertakings	-	-	1,604	189
Other debtors	182	266	137	222
Prepayments and accrued income	2,022	1,695	931	1,426
	9,712	10,431	8,270	9,212

Included within group and company trade debtors are amounts owed to the company in relation to customs duties and taxes totalling £625,927 (2012 £1,112,129) which are not included within turnover as explained in Note 2

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

Notes to the consolidated financial statements

at 30 April 2013

15 Creditors amounts falling due within one year

	Group		Company	
	2013	*2012*	*2013*	*2012*
	£000	*£000*	*£000*	*£000*
Bank loans	992	1,079	992	1,079
Finance leases	169	96	169	96
Trade creditors	2,471	2,588	2,466	2,535
Amounts due to subsidiary undertakings	-	-	102	221
Corporation tax	187	119	187	119
Other taxes and social security	592	777	532	910
Other creditors	144	183	149	182
Accruals and deferred income	5,847	5,857	5,497	5,715
	10,402	10,699	10,094	10,857

Bank loans are secured on the group's property Finance leases are secured on the assets to which they relate

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 £2,645,201 (2012 £3,000,063) which are not included within external charges as explained in Note 2

16 Creditors amounts falling due after more than one year

	Group		Company	
	2013	*2012*	*2013*	*2012*
	£000	*£000*	*£000*	*£000*
Bank loans				
Between one and two years	895	992	895	992
Between two and five years	4,072	2,610	4,072	2,610
Repayable after five years	-	2,355	-	2,355
	4,967	5,957	4,967	5,957
Finance leases				
Between one and two years	179	96	179	96
Between two and five years	374	290	374	290
	553	386	553	386
Total borrowings including finance leases				
Between one and two years	1,074	1,088	1,074	1,088
Between two and five years	4,446	2,900	4,446	2,900
Repayable after five years	-	2,355	-	2,355
	5,520	6,343	5,520	6,343

At the commencement of the financial year the company had four loans which had repayment terms of between 6 and 10 years at inception and were scheduled to be fully repaid between 2013 and 2017 One of the loans had a variable interest rate based on LIBOR plus a fixed margin the remainder having fixed interest rates varying between 6 235% and 6 845%

Bank loans are secured on the group's property Finance leases are secured on the assets to which they relate

Notes to the consolidated financial statements
at 30 April 2013

17 Provisions for liabilities

	Deferred taxation £000
Group	
Balance as at 1 May 2012	196
Charged in the year (note 8)	(78)
Balance as at 30 April 2013	118

	Deferred taxation £000
Company	
Balance as at 1 May 2012	212
Charged in the year	(80)
Balance as at 30 April 2013	132

18 Called up share capital

	2013 £000	2012 £000
Allotted, called up and fully paid		
Ordinary shares of £1 each	51	51

19 Reconciliation of movements in shareholders' funds

Group	*Share capital £000*	*Capital redemption reserve £000*	*Profit and loss account £000*	*Total shareholders' funds £000*
At 30 April 2012 and 1 May 2012	51	49	18,181	18,281
Profit for the year	-	-	432	432
At 30 April 2013	51	49	18,613	18,713

Company	*Share capital £000*	*Capital redemption reserve £000*	*Profit and loss account £000*	*Total shareholders' funds £000*
At 30 April 2012 and 1 May 2012	51	49	14,390	14,490
Profit for the year	-	-	520	520
At 30 April 2013	51	49	14,910	15,010

Notes to the consolidated financial statements
at 30 April 2013

20 Minority interests

	£000
As at 1 May 2012	(28)
Minority interest share of losses on ordinary activities after taxation	(25)
As at 30 April 2013	(53)

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

21 Contingent liabilities and commitments

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

	Land and buildings 2013 £000	*Other 2013 £000*	*Land and buildings 2012 £000*	*Other 2012 £000*
Leases which expire				
Within one year	-	-	-	46
Within two to five years	452	-	439	13
After five years	39	-	39	-
	491	-	478	59

ii) In a debenture dated 12 October 1994, Torque Logistics Limited has undertaken to provide financial support to Torque 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 2013 the amounts owed by Torque Retail Services Limited amounted to £1,602,268 (2012 £187,583)

iii) At 30 April 2013 the company, through a third party insurer, had given a guarantee of £2,250,000 (2012 £1,500,000) to HM Revenue & Customs in respect of the deferment of import duty

22 Notes to the Statement of Cash Flows

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

	2013 £000	*2012 £000*
Operating profit	1,033	1,524
Depreciation and amortisation	1,800	1,670
Profit on disposal of fixed assets	(13)	(37)
Increase in stocks	(92)	(323)
Decrease / (increase) in debtors	718	(724)
(Decrease) / increase in creditors	(362)	3,287
Net cash inflow from operating activities	3,084	5,397

Notes to the consolidated financial statements
at 30 April 2013

22 Notes to the Statement of Cash Flows (continued)

(b) Analysis of net debt

	1 May 2012	*Cash flows*	*30 April 2013*
Cash at bank and in hand	3,673	413	4,086
Debt due within one year	(1,175)	14	(1,161)
Debt due after one year	(6,343)	823	(5,520)
Net debt	(3,845)	1,250	(2,595)

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

	2013 £000	*2012 £000*
Increase / (decrease) in cash in the year	413	2,217
Cash flow from movement in debt financing	837	636
Change in net debt resulting from cash flows	1,250	2,853
Net debt at start of the year	(3,845)	(6,698)
Net debt at the end of the year	(2,595)	(3,845)

23 Related party transactions

The company has taken advantage of the exemption under FRS 8 from the requirement to disclose transactions with group related parties on the grounds that consolidated financial statements are prepared

During the year the company entered into transactions with several companies who the directors consider to be related to Torque Logistics Limited as follows

Nopi Limited provides various consultancy services to the company at fair market prices The total value of purchases for the year was £276,775 (2012 - £268,467), of which £216,667 (2012 - £55,512) was outstanding at the year end T S Howarth, a director of Torque 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 2013 the value of these supplies totalled £10,872 (2012 £1,178) of which £Nil (2012 £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 2013 totalled £Nil (2012 £65) of which £Nil (2012 £Nil) was outstanding at the year end

Hamilton Trustees Limited provides administrative and secretarial services to the company and its subsidiaries at fair market prices The total value of services for the year was £22,295 (2012 - £41,760) of which £Nil (2012 - £1,987) was outstanding at the year end T S Howarth, a director of Torque Logistics Limited, is the beneficial owner of Hamilton Trustees Limited