

Torque Logistics Limited

Report and Consolidated Financial Statements

30 April 2015

Registered number 2625079

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Company information

Directors

E P Darcy
S P Firth
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

Strategic report

The directors present their annual strategic report and directors' report on the affairs of the company together with the financial statements and auditor's report for the year ended 30 April 2015.

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, e-fulfilment and reverse logistics services.

The company's principal activity is the provision of international distribution services.

Group profit for the year was £0.7m (2014: £1.7m) at operating profit level and £0.5m (2014: £1.4m) at profit before tax level. Profit before tax as a percentage of turnover was 0.1% (2014: 2.8%).

The group results have contributed to strengthening the balance sheet with shareholders' funds rising to £19.9m (2014: £19.6m).

In line with the group's stated strategy of enhancing its service offering and expanding its customer base, during the year the business invested in an additional 370,000 square foot warehouse facility, employed increased numbers of experienced staff and significantly uplifted the extent of automation within its operations. The additional capacity that the newly acquired site brought enabled the relocation of warehouse contracts to a facility which better suited the organic growth demands of those contracts. Those relocations involved a certain amount of cost which the group has absorbed so as to provide a platform for future growth.

The group continues to develop a strong potential customer pipeline and through focussed investment, along with our existing expertise, aims to convert a sustainable number of these opportunities into ongoing customers.

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

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.

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.

Liquidity risk

The group seeks to manage financial risk by ensuring that sufficient liquidity is available to meet foreseeable needs. The group working capital requirements are covered by shareholders' funds supplemented by variable and fixed rate repayable mortgages secured on the group's property.

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.

Strategic report (continued)

The credit risk on liquid funds is limited because the counterparties are banks with good 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.

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.

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.

Employee involvement

During the year, the policy of providing employees with information about the group has been continued through various channels of communication, including regular meetings between local management and employees to allow a free flow of information and ideas. These channels provide a wide range of forums 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.

By order of the board


E P Darcy
Company Secretary

Date: 27th January 2016

The Torque Building
Wortley Moor Road
Wortley
Leeds
LS12 4JH

Directors' report

The company's principal activities, review of the business and principal risk and uncertainties, including going concern, are presented in the strategic report.

Results and dividends

The group profit after taxation for the year amounted to £0.2m (2014: £1.0m). No interim or final dividend, in respect of 2014, was paid during the year (2014: £nil). An interim dividend in respect of 2015 of £14,879,800 (2014: £nil) has been approved and paid on 21 May 2015. There will be no final dividend for 2015.

The group, of which the company is part, retains the same level of financial strength after the payment of this dividend as the whole of that dividend was paid to and retained by its parent, Sheds for Logistics Limited.

Post balance sheet events

On 5 May 2015 as part of a group restructure the shares and ownership of Torque Logistics Limited were transferred to Sheds For Logistics Limited.

As part of the restructure, and so as to promote greater focus on the core logistics trading activities of the business, on 13 May 2015, Torque Logistics Limited sold its freehold and leasehold land and buildings to other group companies.

Directors

The directors during the year ended 30 April 2015 and up to the present date were as listed on page 1.

Political and charitable donations

During the year, the group made various charitable donations totalling £4,899 (2014: £15,940).

Employees of the group also give their time to help several local community projects with advice and practical assistance.

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: 27th January 2016

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.

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 2015 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 30 April 2015 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 Strategic Report and 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.

Kate Darlison

Kate Darlison FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Leeds

Date: 27 January 2016

Consolidated profit and loss account

For the year ended 30 April 2015

	Notes	2015 £000	2014 £000
<i>Group turnover</i>			
Continuing operations	2	49,016	51,710
<i>Group operating profit</i>			
Continuing operations	3	662	1,673
Interest receivable	6	13	13
Interest payable	7	(200)	(247)
<i>Profit on ordinary activities before taxation</i>		475	1,439
Tax on profit on ordinary activities	8	(267)	(470)
<i>Profit on ordinary activities after taxation</i>		208	969
Equity minority interests	20	32	24
<i>Profit for the financial year</i>	19	240	993

The group has no other recognised gains or losses other than the profit on ordinary activities after taxation. Accordingly no separate statement of recognised gains and losses has been presented.

Consolidated balance sheet

at 30 April 2015

	Notes	2015 £000	2014 £000
<i>Fixed assets</i>			
Tangible assets	10	16,418	17,538
Intangible assets	12	14	7
		<u>16,432</u>	<u>17,545</u>
<i>Current assets</i>			
Stocks	13	654	1,101
Debtors	14	12,137	10,332
Cash at bank and in hand		4,729	4,798
		<u>17,520</u>	<u>16,231</u>
<i>Creditors: amounts falling due within one year</i>	15	(10,657)	(9,684)
		<u>6,863</u>	<u>6,547</u>
<i>Net current assets</i>			
		<u>23,295</u>	<u>24,092</u>
<i>Total assets less current liabilities</i>			
<i>Creditors: amounts falling due after more than one year</i>	16	(3,349)	(4,457)
<i>Provisions for liabilities</i>	17	-	(6)
		<u>19,946</u>	<u>19,629</u>
<i>Net assets</i>			
		<u><u>19,946</u></u>	<u><u>19,629</u></u>
<i>Capital and reserves</i>			
Called up share capital	18	51	51
Capital redemption reserve	19	49	49
Profit and loss account	19	19,846	19,606
		<u>19,946</u>	<u>19,706</u>
<i>Shareholders' funds</i>			
		<u>19,946</u>	<u>19,706</u>
<i>Minority interests</i>	20	-	(77)
		<u>19,946</u>	<u>19,629</u>
<i>Total capital employed</i>		<u><u>19,946</u></u>	<u><u>19,629</u></u>

The financial statements were approved by the board of directors and authorised for issue on 27th January 2016

S P Firth
Director

Date: 27th January 2016

Company balance sheet

at 30 April 2015

	Notes	2015 £000	2014 £000
<i>Fixed assets</i>			
Tangible assets	10	15,605	17,494
Investments	11	50	50
		<u>15,655</u>	<u>17,544</u>
<i>Current assets</i>			
Stock	13	37	54
Debtors	14	10,397	7,849
Cash at bank and in hand		3,342	4,657
		<u>13,776</u>	<u>12,560</u>
Creditors: amounts falling due within one year	15	(9,044)	(9,286)
<i>Net current assets</i>		<u>4,732</u>	<u>3,274</u>
<i>Total assets less current liabilities</i>		<u>20,387</u>	<u>20,818</u>
Creditors: amounts falling due after more than one year	16	(3,349)	(4,457)
Provisions for liabilities	17	-	(17)
<i>Net assets</i>		<u>17,038</u>	<u>16,344</u>
<i>Capital and reserves</i>			
Called up share capital	18	51	51
Capital redemption reserve	19	49	49
Profit and loss account	19	16,938	16,244
<i>Total shareholders' funds</i>	19	<u>17,038</u>	<u>16,344</u>

The financial statements of Torque Logistics Limited, (registered number 2625079) were approved by the board of directors and authorised for issue on 27th January 2016

S P Firth
Director

Date: 27th January 2016

Consolidated cash flow statement

for the year ended 30 April 2015

	Note	£000	2015 £000	2014 £000
<i>Net cash inflow from operating activities</i>	22 (a)		3,019	3,201
<i>Returns on investments and servicing of finance</i>				
Interest received		13		13
Interest paid		(191)		(237)
			(178)	(224)
<i>Taxation</i>				
Corporation tax paid		(490)		(533)
			(490)	(533)
<i>Capital expenditure and financial Investment</i>				
Payments to acquire tangible fixed assets		(1,340)		(611)
Payments to acquire intangible fixed assets		(13)		(5)
Receipts from sales of tangible fixed assets		10		33
			(1,343)	(583)
<i>Financing</i>				
Repayment of finance leases			(182)	(157)
Repayment of term loan and overdrafts			(895)	(992)
<i>Increase / (decrease) in cash</i>	22 (c)		(69)	712

Notes to the consolidated financial statements

at 30 April 2015

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 strategic report and directors' report on pages 2 to 4.

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 3 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 2015

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 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.

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 substantively 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 2015. 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.

	2015	2014
	£000	£000
Gross revenue	71,844	85,485
Customs duties and taxes revenue	(22,828)	(33,775)
Group turnover	49,016	51,710

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 2015

3. Group operating profit

Group operating costs are analysed as follows:

	2015	2014
	£000	£000
Change in stocks of finished goods and in work in progress	446	906
Raw materials and consumables	2,486	1,137
Other external charges	27,592	31,893
Staff costs	15,374	14,168
Depreciation and other impairments to owned tangible fixed assets	2,173	1,655
Depreciation and other impairments to leased tangible fixed assets	287	288
Profit on disposal of fixed assets	(10)	(21)
Amortisation	6	11
	<u>48,354</u>	<u>50,037</u>

	2015	2014
	£000	£000
Group operating profit is stated after charging:		
Charitable donations	5	16
Auditor remuneration		
- Fees payable to the company's auditor for the audit of the company's annual financial statements	25	26
- The audit of the company's subsidiaries pursuant to legislation	12	10
- Tax services	18	18
- Other advisory services	14	-
Depreciation and other impairments to owned tangible fixed assets	2,173	1,655
Depreciation and impairments to leased tangible fixed assets	287	288
Operating lease rentals - land and buildings	653	494
Operating lease rentals - plant and machinery	302	368
Amortisation	6	11
	<u></u>	<u></u>

4. Directors' emoluments

	2015	2014
	£000	£000
Directors' emoluments	215	243
Company contributions to money purchase pension schemes	4	3
	<u>219</u>	<u>246</u>

Retirement benefits are accruing to 2 directors (2014: 2) under a money purchase pension scheme.

Highest paid director:

Emoluments for qualifying services	110	140
Company contributions to money purchase pension schemes	3	-
	<u>113</u>	<u>140</u>

Notes to the consolidated financial statements

at 30 April 2015

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:

	<i>Number of Employees</i>	
	<i>2015</i>	<i>2014</i>
Operations	577	511
Administration and management	166	182
	<u>743</u>	<u>693</u>

The aggregate payroll costs of these persons were as follows:-

	<i>Group</i>		<i>Company</i>	
	<i>2015</i>	<i>2014</i>	<i>2015</i>	<i>2014</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Wages and salaries	14,122	13,060	6,119	6,343
Social security costs	1,123	1,040	552	546
Pension costs (a)	129	68	74	52
	<u>15,374</u>	<u>14,168</u>	<u>6,745</u>	<u>6,941</u>

- (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 £28,581 (2014: £17,401).

6. Interest receivable

	<i>2015</i>	<i>2014</i>
	<i>£000</i>	<i>£000</i>
Bank interest receivable	13	13
	<u>13</u>	<u>13</u>

7. Interest payable

	<i>2015</i>	<i>2014</i>
	<i>£000</i>	<i>£000</i>
Bank interest payable	178	216
Finance lease interest	22	31
	<u>200</u>	<u>247</u>

Notes to the consolidated financial statements

at 30 April 2015

8. Taxation

	2015 £000	2014 £000
Domestic current tax year		
Current tax charge		
UK corporation tax	421	582
Deferred tax		
Origination and reversal of timing differences	(161)	(111)
Effects of rate changes	7	(1)
Total deferred tax	(154)	(112)
Total tax	267	470

	2015 £000	2014 £000
Factors affecting the tax charge for the period		
Profit on ordinary activities before taxation	475	1,439
Profit on ordinary activities before taxation multiplied by the effective rate of UK corporation tax of 20.5%. (2014: effective rate of 22.8%)	97	328
Effects of:		
Non deductible expenses	138	128
Depreciation in excess of capital allowances	131	66
Other tax adjustments	53	60
Adjustment in respect of prior years	2	-
	324	254
Current tax charge	421	582

Deferred taxation	Group		Company	
	2015 £000	2014 £000	2015 £000	2014 £000
Movement in the year:				
At 1 May	(6)	(118)	(17)	(132)
Charge for the year	154	112	254	115
At 30 April	148	(6)	237	(17)

Notes to the consolidated financial statements

at 30 April 2015

8. Taxation (continued)

	<i>Group</i>		<i>Company</i>	
	<i>2015</i>	<i>2014</i>	<i>2015</i>	<i>2014</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Analysed as follows:				
Accelerated tax depreciation on fixed assets	37	(87)	126	(98)
Short-term timing differences	111	81	111	81
	<u>148</u>	<u>(6)</u>	<u>237</u>	<u>(17)</u>

The assets above are included within note 14. The liability from the prior year was included in 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 £694,000 (2014: £1,334,000).

10. Tangible fixed assets

<i>Group:</i>	<i>Freehold land and buildings £000</i>	<i>Short Leasehold land and buildings £000</i>	<i>Plant and machinery £000</i>	<i>Computers and office equipment £000</i>	<i>Motor vehicles £000</i>	<i>Total £000</i>
Cost:						
At 1 May 2014	16,984	2,255	10,032	4,894	1,007	35,172
Additions	30	14	982	229	85	1,340
Disposals	-	-	-	-	(88)	(88)
At 30 April 2015	<u>17,014</u>	<u>2,269</u>	<u>11,014</u>	<u>5,123</u>	<u>1,004</u>	<u>36,424</u>
Depreciation:						
At 1 May 2014	3,901	686	8,149	4,348	550	17,634
Charge for the year	482	99	1,387	313	179	2,460
Disposals	-	-	-	-	(88)	(88)
At 30 April 2015	<u>4,383</u>	<u>785</u>	<u>9,536</u>	<u>4,661</u>	<u>641</u>	<u>20,006</u>
Net book value:						
At 30 April 2015	<u>12,631</u>	<u>1,484</u>	<u>1,478</u>	<u>462</u>	<u>363</u>	<u>16,418</u>
At 30 April 2014	<u>13,083</u>	<u>1,569</u>	<u>1,883</u>	<u>546</u>	<u>457</u>	<u>17,538</u>

Notes to the consolidated financial statements

at 30 April 2015

10. Tangible fixed assets (continued)

<i>Company:</i>	<i>Freehold land and buildings £000</i>	<i>Short leasehold land and buildings £000</i>	<i>Plant and machinery £000</i>	<i>Computers and office equipment £000</i>	<i>Motor vehicles £000</i>	<i>Total £000</i>
Cost:						
At 1 May 2014	16,984	2,255	9,529	4,710	856	34,334
Additions	30	-	219	193	58	500
Disposals	-	-	-	-	(68)	(68)
At 30 April 2015	17,014	2,255	9,748	4,903	846	34,766
Depreciation:						
At 1 May 2014	3,901	686	7,654	4,183	416	16,840
Charge for the year	482	98	1,340	306	163	2,389
Disposals	-	-	-	-	(68)	(68)
At 30 April 2015	4,383	784	8,994	4,489	511	19,161
Net book value:						
At 30 April 2015	12,631	1,471	754	414	335	15,605
At 30 April 2014	13,083	1,569	1,875	527	440	17,494

Freehold land held by the group and company totalling £5,126,804 (2014: £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 under finance lease agreements. These assets were capitalised at a cost of £418,994 (2014: £418,994), depreciation was charged during the year of £187,592 (2014: £188,674) and the book value of these assets at the 30th April 2015 was £389,182 (2014: £576,774).

Notes to the consolidated financial statements

at 30 April 2015

11. Fixed asset investments

<i>Company:</i>	<i>2015</i>	<i>2014</i>
	<i>£000</i>	<i>£000</i>
<i>Investment in subsidiary undertaking</i>		
At 1 May and 30 April	5,387	5,387
<i>Provision for impairment</i>		
At 1 May and 30 April	5,337	5,337
At 1 May and 30 April	50	50

The parent company and the group have investments in the following subsidiary undertakings and associates.

	<i>Principal activity</i>	<i>Registration number</i>	<i>Class of shares</i>	<i>Percentage held</i>
Subsidiary undertakings				
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	100%
Torque Omni-Channel Limited (formerly Tippitoes (UK) Limited) - registered in England	Provision of Omni-Channel services		£1 ordinary shares	100%
Portland International Cargo Limited - registered in England	Dormant	02523207	£1 ordinary A & B shares	100%
EG Analysts Limited - registered in England	Dormant	03645815	£1 ordinary shares	100%
Elite Processing Limited - registered in England	Dormant	06769487	£1 ordinary shares	100%
DDP Import Services Limited - registered in England	Dormant	06115858	£1 ordinary shares	100%
Climate Controlled Logistics Limited - registered in England	Dormant	07300773	£1 ordinary shares	100%
Elite Forwarders Limited - registered in England	Dormant	05967668	£1 ordinary shares	100%
Elite Supply Chain Limited - registered in England	Dormant	07249431	£1 ordinary shares	100%
Tippitoes (UK) Limited - registered in England	Dormant	08745788	£1 ordinary shares	100%
Elite Group Retail Services Limited - registered in England	Dormant	06769387	£1 ordinary shares	100%

Notes to the consolidated financial statements

at 30 April 2015

11. Fixed asset investments (continued)

	<i>Principal activity</i>	<i>Registration number</i>	<i>Class of shares</i>	<i>Percentage held</i>
Torque Retail Services Europe Limited - registered in England	Dormant	09183874	£1 ordinary shares	100%
Torque Haulage Europe Limited - registered in England	Dormant	09183909	£1 ordinary shares	100%
Torque Forwarders Europe Limited - registered in England	Dormant	09183910	£1 ordinary shares	100%
Torque Logistics Europe Limited - registered in England	Dormant	09183116	£1 ordinary shares	100%
Torque Warehousing Europe Limited - registered in England	Dormant	09183840	£1 ordinary shares	100%
Torque Freight Europe Limited - registered in England	Dormant	09183838	£1 ordinary shares	100%
Torque Processing Europe Limited - registered in England	Dormant	09183858	£1 ordinary shares	100%
Torque Transport Europe Limited - registered in England	Dormant	09184435	£1 ordinary shares	100%
Torque Apps Europe Limited - registered in England	Dormant	09183930	£1 ordinary shares	100%
Torque Click & Collect Europe Limited - registered in England	Dormant	09183917	£1 ordinary shares	100%
Torque Couriers Europe Limited - registered in England	Dormant	09184029	£1 ordinary shares	100%
Torque Vision Europe Limited - registered in England	Dormant	09183961	£1 ordinary shares	100%
Torque Outlet Europe Limited - registered in England	Dormant	09183960	£1 ordinary shares	100%
Torque QC Services Europe Limited - registered in England	Dormant	09183963	£1 ordinary shares	100%
Torque Reverse Logistics Europe Limited - registered in England	Dormant	09184023	£1 ordinary shares	100%
Torque Finance Europe Limited - registered in England	Dormant	09184040	£1 ordinary shares	100%
Torque E-Commerce Europe Limited - registered in England	Dormant	09183971	£1 ordinary shares	100%
Torque E-Fulfilment Europe Limited - registered in England	Dormant	09183957	£1 ordinary shares	100%

Notes to the consolidated financial statements

at 30 April 2015

11. Fixed asset investments (continued)

	<i>Principal activity</i>	<i>Registration number</i>	<i>Class of shares</i>	<i>Percentage held</i>
Torque Systems Europe Limited - registered in England	Dormant	09183951	£1 ordinary shares	100%
Torque Supply Chain Solutions Europe Limited - registered in England	Dormant	09183878	£1 ordinary shares	100%
Torque Omni-Channel Europe Limited - registered in England	Dormant	09184038	£1 ordinary shares	100%
Torque Web Design Europe Limited - registered in England	Dormant	09183933	£1 ordinary shares	100%
Torque Home Shopping Europe Limited - registered in England	Dormant	09184019	£1 ordinary shares	100%
Torque Multi-Channel Europe Limited - registered in England	Dormant	09401639	£1 ordinary shares	100%
Torque Multi-Channel Limited - registered in England	Dormant	09401706	£1 ordinary shares	100%
Torque E-Commerce Limited - registered in England	Dormant	08207581	£1 ordinary shares	100%
Elite Group Logistics Limited - registered in England	Dormant	07466787	£1 ordinary shares	100%
Torque E-Fulfilment Limited - registered in England	Dormant	08207492	£1 ordinary shares	100%
Torque Forwarders Limited - registered in England	Dormant	07466782	£1 ordinary shares	100%
Torque Transport Limited - registered in England	Dormant	07466774	£1 ordinary shares	100%
Torque Distribution Limited - registered in England	Dormant	07466786	£1 ordinary shares	100%
Torque Systems Limited - registered in England	Dormant	08206930	£1 ordinary shares	100%
Torque Warehousing Limited - registered in England	Dormant	07466777	£1 ordinary shares	100%
Torque Freight Limited - registered in England	Dormant	07466779	£1 ordinary shares	100%
Torque Processing Limited - registered in England	Dormant	07466773	£1 ordinary shares	100%
Torque Web Design Limited - registered in England	Dormant	08208312	£1 ordinary shares	100%

Notes to the consolidated financial statements

at 30 April 2015

11. Fixed asset investments (continued)

	<i>Principal activity</i>	<i>Registration number</i>	<i>Class of shares</i>	<i>Percentage held</i>
Torque Apps Limited - registered in England	Dormant	08182396	£1 ordinary shares	100%
Torque Vision Limited - registered in England	Dormant	07639318	£1 ordinary shares	100%
Torque Click & Collect Limited - registered in England	Dormant	08186278	£1 ordinary shares	100%
Torque Home Shopping Limited - registered in England	Dormant	08208313	£1 ordinary shares	100%
Torque Couriers Limited - registered in England	Dormant	08182416	£1 ordinary shares	100%
Torque Finance Limited - registered in England	Dormant	08186097	£1 ordinary shares	100%
Torque Outlet Limited - registered in England	Dormant	08186617	£1 ordinary shares	100%
Torque QC Services Limited - registered in England	Dormant	08186680	£1 ordinary shares	100%
Torque Reverse Logistics Limited - registered in England	Dormant	08186624	£1 ordinary shares	100%
Torque Supply Chain Solutions Limited - registered in England	Dormant	08186144	£1 ordinary shares	100%
Torque Haulage Limited - registered in England	Dormant	07466781	£1 ordinary shares	100%
Elite Retail Services Limited - registered in England	Dormant	07550115	£1 ordinary shares	100%

The Dormant Companies are exempt from the requirement to prepare individual accounts by virtue of section 448a of the Companies Act 2006.

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.

	<i>Principal activity</i>	<i>Class of shares</i>	<i>Percentage held</i>
Associates			
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 2015

12. Intangible fixed assets

<i>Group:</i>	<i>Trade marks and designs £000</i>	<i>Goodwill £000</i>	<i>Negative goodwill £000</i>	<i>Total £000</i>
Cost:				
At 1 May 2014	82	442	(5)	519
Additions	13	-	-	13
At 30 April 2015	95	442	(5)	532
Amortisation:				
At 1 May 2014	75	442	(5)	512
Charge for the year	6	-	-	6
At 30 April 2015	81	442	(5)	518
Net book value:				
At 30 April 2015	14	-	-	14
At 30 April 2014	7	-	-	7

13. Stocks

	<i>Group</i>		<i>Company</i>	
	<i>2015 £000</i>	<i>2014 £000</i>	<i>2015 £000</i>	<i>2014 £000</i>
Raw materials and consumables	41	54	37	54
Work in progress and finished goods	613	1,047	-	-
	654	1,101	37	54

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

14. Debtors

	<i>Group</i>		<i>Company</i>	
	<i>2015 £000</i>	<i>2014 £000</i>	<i>2015 £000</i>	<i>2014 £000</i>
Trade debtors	8,923	7,921	5,056	5,823
Amounts due from subsidiary undertakings	-	-	3,364	978
Other debtors	1,054	183	1,010	141
Prepayments and accrued income	2,012	2,228	730	907
Deferred tax asset – reclassified from note 17	148	-	237	-
	12,137	10,332	10,397	7,849

Included within group and company trade debtors are amounts owed to the company in relation to customs duties and taxes totalling £964,629 (2014: £878,908) 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 2015

15. Creditors: amounts falling due within one year

	<i>Group</i>		<i>Company</i>	
	<i>2015</i>	<i>2014</i>	<i>2015</i>	<i>2014</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Bank loans	921	895	921	895
Finance leases	187	182	187	182
Trade creditors	2,929	2,200	2,275	2,194
Amounts due to subsidiary undertakings	-	-	-	5
Corporation tax	167	236	167	236
Other taxes and social security	800	703	425	711
Other creditors	192	171	179	171
Accruals and deferred income	5,461	5,297	4,890	4,892
	<u>10,657</u>	<u>9,684</u>	<u>9,044</u>	<u>9,286</u>

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 £1,466,603 (2014: £1,480,166) which are not included within external charges as explained in Note 2.

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

	<i>Group</i>		<i>Company</i>	
	<i>2015</i>	<i>2014</i>	<i>2015</i>	<i>2014</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Bank loans				
Between one and two years	3,022	921	3,022	921
Between two and five years	129	3,151	129	3,151
	<u>3,151</u>	<u>4,072</u>	<u>3,151</u>	<u>4,072</u>
Finance leases				
Between one and two years	168	187	168	187
Between two and five years	30	198	30	198
	<u>198</u>	<u>385</u>	<u>198</u>	<u>385</u>
Total borrowings including finance leases				
Between one and two years	3,190	1,108	3,190	1,108
Between two and five years	159	3,349	159	3,349
	<u>3,349</u>	<u>4,457</u>	<u>3,349</u>	<u>4,457</u>

At the commencement of the financial year the company had three loans which had repayment terms of between 6 and 10 years at inception and were scheduled to be fully repaid between 2016 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 2015

17. Provisions for liabilities

	<i>Deferred taxation £000</i>
Group	
Balance as at 1 May 2014	6
Credit in the year (note 8)	(154)
	<u>(148)</u>
Balance as at 30 April 2015 – reclassified to debtors note 14	<u>(148)</u>

	<i>Deferred taxation £000</i>
Company	
Balance as at 1 May 2014	17
Credit in the year	(254)
	<u>(237)</u>
Balance as at 30 April 2015 – reclassified to debtors note 14	<u>(237)</u>

18. Called up share capital

	<i>2015 £000</i>	<i>2014 £000</i>
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £1 each	51	51
	<u>51</u>	<u>51</u>

19. Reconciliation of movements in shareholders' funds

<i>Group:</i>	<i>Share capital £000</i>	<i>Capital redemption reserve £000</i>	<i>Profit and loss account £000</i>	<i>Total shareholders' funds £000</i>
At 30 April 2014 and 1 May 2014	51	49	19,606	19,706
Profit for the year	-	-	240	240
	<u>51</u>	<u>49</u>	<u>19,846</u>	<u>19,946</u>

<i>Company:</i>	<i>Share capital £000</i>	<i>Capital redemption reserve £000</i>	<i>Profit and loss account £000</i>	<i>Total shareholders' funds £000</i>
At 30 April 2014 and 1 May 2014	51	49	16,244	16,344
Profit for the year	-	-	694	694
	<u>51</u>	<u>49</u>	<u>16,938</u>	<u>17,038</u>

Notes to the consolidated financial statements

at 30 April 2015

20. Minority interests

	£000
As at 1 May 2014	(77)
Minority interest share of losses on ordinary activities after taxation	(32)
Provision against minority interest share of losses	109
	<hr/>
As at 30 April 2015	-
	<hr/> <hr/>

The minority interest reflected the 30% of the issued share capital of Baroo Ltd not owned by the group at 30 April 2015.

21. Contingent liabilities and commitments

- i) The group and company's annual commitments under non-cancellable leases are as follows:

	<i>Land and buildings</i>	<i>Other</i>	<i>Land and buildings</i>	<i>Other</i>
	<i>2015</i>	<i>2015</i>	<i>2014</i>	<i>2014</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Leases which expire:				
Within one year	86	135	-	148
Within two to five years	1,063	-	552	-
After five years	39	-	39	-
	<hr/>	<hr/>	<hr/>	<hr/>
	1,188	135	591	148
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

- 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 2015 the amounts owed by Torque Retail Services Limited amounted to £3,200,835 (2014: £967,949).
- iii) At 30 April 2015 the company, through a third party insurer, had given a guarantee of £2,000,000 (2014: £2,000,000) 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

	<i>2015</i>	<i>2014</i>
	<i>£000</i>	<i>£000</i>
Operating profit	662	1,673
Depreciation and amortisation	2,466	1,954
Profit on disposal of fixed assets	(10)	(21)
Decrease in stocks	446	906
(Increase) in debtors	(1,657)	(620)
Increase / (decrease) in creditors	1,105	(691)
	<hr/>	<hr/>
Net cash inflow from operating activities	3,019	3,201
	<hr/> <hr/>	<hr/> <hr/>

Notes to the consolidated financial statements

at 30 April 2015

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

(b) Analysis of net debt

	1 May 2014	Cash flows	Other non cash changes	30 April 2015
Cash at bank and in hand	4,798	(69)	-	4,729
Debt due within one year	(1,077)	1,077	(1,108)	(1,108)
Debt due after one year	(4,457)	-	1,108	(3,349)
Net cash / (debt)	(736)	1,008	-	(272)

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

	2015 £000	2014 £000
Increase / (decrease) in cash in the year	(69)	712
Cash flow from movement in debt financing	1,077	1,147
Change in net debt resulting from cash flows	1,008	1,859
Net debt at start of the year	(736)	(2,595)
Net cash / (debt) at the end of the year	(272)	(736)

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 £150,000 (2014 - £180,000), of which £134,400 (2014 - £90,667) 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 2015 the value of these supplies totalled £Nil (2014: £90,110) of which £Nil (2014: £1,489) was outstanding at the year end.

Baroo Ltd, a 70% owned subsidiary, sells a range of nursery bedding and accessories through Torque Omni-Channel Limited, a wholly owned subsidiary of Torque Logistics Limited in the ordinary course of business. In 2015 the value of these supplies totalled £123,827 (2014: £Nil) of which £16,807 (2014: £1,489) was outstanding at the year end.

Notes to the consolidated financial statements

at 30 April 2015

23. Related party transactions (continued)

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 £6,380 (2014 - £ Nil) of which £Nil (2014 - £Nil) was outstanding at the year end. T S Howarth, a director of Torque Logistics Limited, is the beneficial owner of Hamilton Trustees Limited.

In an agreement, dated 16th January 2015, a loan to the value of £825,000 was advanced to Sheds For Logistics (Guernsey One) Limited by Torque Logistics Limited, the loan attracts an interest charge of 0.5% above the Barclays Bank Plc base rate and must be repaid by no later than close of business on 15th January 2018. Additional borrowings totalling £54,800 were made during the year and the amount owed to Torque Logistics Limited at 30th April 2015 totalled £879,800. Torque Logistics Limited and Sheds For Logistics (Guernsey One) Limited share common control.