

# Financial Statements

## Abels Moving Services Limited

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For the Year Ended 30 June 2016

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**Registered number: 03592000**

**Abels Moving Services Limited**

## Company Information

<b>Directors</b>	P Pertoldi N D Pertoldi P J Evans L E McGreal
<b>Registered number</b>	03592000
<b>Registered office</b>	Wimbledon Avenue Brandon Suffolk IP27 0NZ
<b>Independent auditor</b>	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor Kingfisher House 1 Gilders Way St James Place Norwich Norfolk NR3 1UB

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# **Group Strategic Report**

**For the Year Ended 30 June 2016**

## **Introduction**

The directors present their Group Strategic Report for the year ended 30 June 2016.

## **Business review**

There was a consolidated profit for the year ended 30 June 2016 before taxation amounting to £671,147 (2015 - £697,791) on a fall in revenue of 0.3%.

Group revenue was maintained in a challenging and competitive environment. Gross and operating profit margins continued to be strong and carried on previous years results, specifically due to the ongoing commitment and hard work of the employees.

Investment in environmental sustainability has continued in the group. Abels achieved the environmental standard ISO14001 certification and is now awaiting the outcome of a re-audit which also included OHSAS18001 the occupational health and safety management standard.

In October 2016 the Abels Group was acquired by Momentous Relocation Limited. The company's ultimate parent undertaking is now AGM Relocation Limited which offers a comprehensive global moving and relocation service to it's clients under the chairmanship of Mr Paul J Evans.

## **Key performance indicators**

The Group uses a range of performance measures to monitor business performance. The key performance indicators are turnover, gross margin, operating profit margin and average number of employees:

	2016	2015
Turnover (£)	12,507,598	12,550,330
Gross margin (%)	36.8%	36.8%
Operating profit margin (%)	5.3%	5.5%
Average employee numbers	123	113

All performance data is reported monthly to management and directors. For 2016 all indicators have met the expectations of the directors.

# **Group Strategic Report**

**For the Year Ended 30 June 2016**

## **Principal risks and uncertainties**

The principal risks associated with this industry, and therefore the Group, relate to the market cycle as driven by the housing market and general economic performance of the UK. This manifests itself in dramatic changes in the seasonal cycle which can lead to over resourcing in quiet periods and insufficient resources in busy times with the consequent impact on resource productivity and Group profitability. The Group has a policy of maintaining its quality personnel wherever possible during difficult times. This is a medium to long term strategy given that economic downturns have not generally been of an extensive nature. From a financial perspective the Group follows prudent funding policies with the aim of maintaining a strong balance sheet to cater for such difficult times.

### **Financial risk**

The company's operations expose it to a number of financial risks including changes in price risks, credit risks, liquidity risks and interest rate risks. The company has a risk management policy that seeks to limit financial risk by monitoring debt and credit risks and any finance risks it faces. The company does not use any derivative financial instruments to manage interest rate costs and as such no hedge accounting is applied.

Given the size of the business, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board and thereby the board implements the company's finance policy.

### **Price risk**

The company is exposed to price risk due to normal inflationary increases in prices of goods and services. The company is also exposed to currency fluctuation price risk, but has no exposure to equity securities price risk as it holds minimal listed or other equity investments.

### **Credit risk**

The company implements policies that require appropriate credit checks on potential customers before credit is afforded to those customers. The amount of exposure is subject to specific limits set by the board.

### **Liquidity risk**

The company operates within the confines of its banking facilities, with the company's shareholders providing long-term finance to ensure flexibility and the availability of sufficient funds for operations and expansion.

### **Interest rate risk**

The company has both interest bearing liabilities and assets. Assets bearing interest comprise cash balances which earn interest at fluctuating rates. Interest bearing liabilities are at fixed rates. The directors regularly review its interest rate policies in light of changes or expected changes in the company's operations.

### **Business risks**

Business risks, which the company faces, mainly come from its competitors and general economic environmental conditions.

## **Financial risk management objectives and policies**

In common with other businesses, the Group aims to minimise risk. The measures used by the directors to manage this risk include the preparation of profit forecasts, regular monitoring of actual performance against these forecasts and ensuring that adequate financing facilities are in place to meet the requirements of the business. Trade debtors are closely monitored to keep the risk of bad debts to a minimum level.

**Abels Moving Services Limited**

## **Group Strategic Report**

**For the Year Ended 30 June 2016**

### **Future developments**

The expansion of the Group will provide enhanced services for our clients as well as improving economic and operational synergies between the group members. Investment has already occurred to strengthen the sales and marketing team who have identified new business opportunities that will expand group revenues in future years.

The outcome of the Brexit referendum whilst not effecting the year ending 30 June 2016 will create uncertainties in the market, however, we believe the group will be well placed to benefit from the opportunities that will occur and with the increased sales investment.

This report was approved by the board and signed on its behalf.

**P Pertoldi**  
Director



Date:

29/3/17

## **Directors' Report**

**For the Year Ended 30 June 2016**

The directors present their report and the financial statements for the year ended 30 June 2016.

### **Principal activity**

The principal activity of the Company and Group during the year was to offer storage, quality furniture delivery solutions and moving services within the niche markets of substantial private UK residential moves, international relocations and commercial moving.

### **Results and dividends**

The profit for the year, before taxation, amounted to £671,147 (2015 -£697,791).

The directors have not recommended a dividend.

### **Directors**

The directors who served during the year were:

P Pertoldi  
J E Guilford (resigned 14 October 2016)  
N D Pertoldi

Subsequent to the year end on 14 October 2016, P J Evans and L E McGreal were appointed directors.

### **Directors' responsibilities statement**

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Matters covered in the strategic report**

The business review, key performance indicators, the principal risks and uncertainties, the financial risk management objectives and policies, and the future developments which have previously been included within the Directors' Report are now included within the Group Strategic Report.

## Directors' Report (continued)

For the Year Ended 30 June 2016

### Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

### Post balance sheet events

Subsequent to the year end, on 14 October 2016, the company was acquired by Momentous Relocation Limited, a company registered in England and Wales and controlled by P J Evans. Immediately afterwards, the company's investments in the entire ordinary share capital of Gerson Relocation Limited and Atlantic International Movers Limited were transferred to Momentous Relocation Limited.

### Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

P Pertoldi  
Director

Date:



29/6/17



## Independent Auditor's Report to the Member of Abels Moving Services Limited

We have audited the financial statements of Abels Moving Services Limited for the year ended 30 June 2016, which comprise the Group Statement of comprehensive income, the Group and Company Statements of financial position, the Group and Company Statement of changes in equity, the Group Statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is the applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the Company's member 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 member 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 member for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of Directors and Auditor**

As explained more fully in the Directors' responsibilities statement on page 4, 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 Financial Reporting Council's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **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 June 2016 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 Group strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with those financial statements.

## Independent Auditor's Report to the Member of Abels Moving Services Limited (continued)

### 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.



Anders Rasmussen (Senior statutory auditor)  
for and on behalf of  
Grant Thornton UK LLP  
Chartered Accountants  
Statutory Auditor  
Norwich  
Date: 10/11/2017

## Consolidated Statement of Comprehensive Income

For the Year Ended 30 June 2016

	Note	2016 £	2015 £
Turnover	4	12,507,598	12,550,330
Cost of sales		(7,898,241)	(7,927,775)
<b>Gross profit</b>		<b>4,609,357</b>	<b>4,622,555</b>
Administrative expenses		(4,024,478)	(4,069,762)
Other operating income	5	81,345	142,105
<b>Operating profit</b>	6	<b>666,224</b>	<b>694,898</b>
Interest receivable	10	5,597	4,019
Interest payable	11	(674)	(1,126)
<b>Profit before taxation</b>		<b>671,147</b>	<b>697,791</b>
Tax on profit	12	(144,198)	(154,194)
<b>Profit for the year</b>		<b>526,949</b>	<b>543,597</b>

There was no other comprehensive income for 2016 (2015 - £NIL).

The notes on pages 14 to 31 form part of these financial statements.

## Consolidated Statement of Financial Position


As at 30 June 2016

	Note	£	2016 £	£	2015 £
<b>Fixed assets</b>					
Intangible assets	14		579,263		708,306
Tangible assets	15		874,663		783,234
Investments	16		61,425		61,425
			<u>1,515,351</u>		<u>1,552,965</u>
<b>Current assets</b>					
Stocks	18	35,845		39,530	
Debtors: amounts falling due within one year	19	2,314,886		2,349,282	
Cash at bank and in hand	20	2,881,527		2,320,431	
			<u>5,232,258</u>	<u>4,709,243</u>	
Creditors: amounts falling due within one year	21	(2,972,912)		(3,029,897)	
<b>Net current assets</b>			<u>2,259,346</u>		<u>1,679,346</u>
<b>Total assets less current liabilities</b>			<u>3,774,697</u>		<u>3,232,311</u>
Creditors: amounts falling due after more than one year	22		-		(5,151)
<b>Provisions for liabilities</b>					
Deferred taxation	25		(20,588)		-
<b>Net assets</b>			<u><u>3,754,109</u></u>		<u><u>3,227,160</u></u>
<b>Capital and reserves</b>					
Called up share capital	26		200,000		200,000
Capital redemption reserve	27		100,000		100,000
Profit and loss account	27		3,454,109		2,927,160
			<u><u>3,754,109</u></u>		<u><u>3,227,160</u></u>

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

P Pertoldi  
Director

Date:

  
29/3/17

The notes on pages 14 to 31 form part of these financial statements.

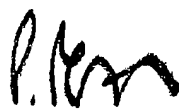
## Company Statement of Financial Position

As at 30 June 2016

	Note	£	2016 £	£	2015 £
<b>Fixed assets</b>					
Tangible assets	15		677,035		532,095
Investments	16		80,434		80,434
			<u>757,469</u>		<u>612,529</u>
<b>Current assets</b>					
Stocks	18	30,860		32,144	
Debtors: amounts falling due within one year	19	1,583,622		1,638,087	
Cash at bank and in hand	20	1,804,674		1,757,157	
		<u>3,419,156</u>		<u>3,427,388</u>	
Creditors: amounts falling due within one year	21	(1,075,990)		(1,265,257)	
<b>Net current assets</b>			<u>2,343,166</u>		<u>2,162,131</u>
<b>Total assets less current liabilities</b>			<u>3,100,635</u>		<u>2,774,660</u>
<b>Provisions for liabilities</b>					
Deferred taxation	25		(70,822)		(75,109)
<b>Net assets</b>			<u><u>3,029,813</u></u>		<u><u>2,699,551</u></u>
<b>Capital and reserves</b>					
Called up share capital	26		200,000		200,000
Capital redemption reserve	27		100,000		100,000
Profit and loss account	27		2,729,813		2,399,551
			<u><u>3,029,813</u></u>		<u><u>2,699,551</u></u>

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

P Pertoldi  
Director



Date:

29/8/17

## Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2016

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 July 2015	200,000	100,000	2,927,160	3,227,160
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	526,949	526,949
<b>At 30 June 2016</b>	<b>200,000</b>	<b>100,000</b>	<b>3,454,109</b>	<b>3,754,109</b>

## Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2015

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 July 2014	200,000	100,000	2,383,563	2,683,563
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	543,597	543,597
<b>At 30 June 2015</b>	<b>200,000</b>	<b>100,000</b>	<b>2,927,160</b>	<b>3,227,160</b>

The notes on pages 14 to 31 form part of these financial statements.

## Company Statement of Changes in Equity

For the Year Ended 30 June 2016

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 July 2015	200,000	100,000	2,399,551	2,699,551
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	330,262	330,262
<b>At 30 June 2016</b>	<b>200,000</b>	<b>100,000</b>	<b>2,729,813</b>	<b>3,029,813</b>

## Company Statement of Changes in Equity

For the Year Ended 30 June 2015

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 July 2014	200,000	100,000	1,966,595	2,266,595
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	432,956	432,956
<b>At 30 June 2015</b>	<b>200,000</b>	<b>100,000</b>	<b>2,399,551</b>	<b>2,699,551</b>

The notes on pages 14 to 31 form part of these financial statements.

## Consolidated Statement of Cash Flows

For the Year Ended 30 June 2016

	2016 £	2015 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	526,949	543,597
<b>Adjustments for:</b>		
Amortisation of intangible assets	129,043	129,043
Depreciation of tangible assets	210,038	195,634
Profit on disposal of tangible assets	(13,260)	(12,753)
Interest paid	674	1,126
Interest received	(5,597)	(4,019)
Taxation charge	144,198	154,194
Decrease/(increase) in stocks	3,685	(7,278)
(Increase)/decrease in debtors	(8,443)	141,187
Increase/(decrease) in creditors	23,864	(90,046)
Corporation tax paid	(160,350)	(68,715)
<b>Net cash generated from operating activities</b>	<b>850,801</b>	<b>981,970</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(308,538)	(180,730)
Sale of tangible fixed assets	20,331	27,234
Interest received	5,597	4,019
HP interest paid	(616)	(1,126)
<b>Net cash from investing activities</b>	<b>(283,226)</b>	<b>(150,603)</b>
<b>Cash flows from financing activities</b>		
Repayment of finance leases	(6,421)	(5,911)
Interest paid	(58)	-
<b>Net cash used in financing activities</b>	<b>(6,479)</b>	<b>(5,911)</b>
<b>Net increase in cash and cash equivalents</b>	<b>561,096</b>	<b>825,456</b>
Cash and cash equivalents at beginning of year	2,320,431	1,494,975
<b>Cash and cash equivalents at the end of year</b>	<b>2,881,527</b>	<b>2,320,431</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	2,881,527	2,320,431
	<b>2,881,527</b>	<b>2,320,431</b>



# Notes to the Financial Statements

For the Year Ended 30 June 2016

## **1. General information**

Abels Moving Services Limited is a limited company registered in England and Wales. Its registered office is Wimbledon Avenue, Brandon, Suffolk, IP27 0NZ.

## **2. Accounting policies**

### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 34.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

### **2.2 Basis of consolidation**

The consolidated financial statements present the results of the Group and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

### **2.3 Going concern**

The financial statements are prepared on the going concern basis. The application is based on formal forecasts which have been prepared by management for the period to the end of June 2018.

### **2.4 Revenue**

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

#### **Rendering of services**

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

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

## Notes to the Financial Statements

For the Year Ended 30 June 2016

### 2. Accounting policies (continued)

#### 2.5 Intangible assets

##### Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated statement of comprehensive income over its useful economic life of 10 years.

#### 2.6 Tangible fixed assets

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

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

Depreciation is provided on the following basis:

Freehold property	- 20% straight line
Leasehold Property	- over the lease term
Plant & equipment	- 10-20% straight line
Motor vehicles	- 20-33% straight line
Fixtures, fittings and computers	- 15-33% straight line

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated statement of comprehensive income.

#### 2.7 Valuation of investments

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

#### 2.8 Stocks

Materials stock are stated at the lower of cost and net realisable value.

#### 2.9 Debtors

Short term debtors are measured at transaction price.

# Notes to the Financial Statements

For the Year Ended 30 June 2016

## **2. Accounting policies (continued)**

### **2.10 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

### **2.11 Financial instruments**

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

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

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

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

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

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

### **2.12 Creditors**

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

## Notes to the Financial Statements

For the Year Ended 30 June 2016

### 2. Accounting policies (continued)

#### 2.13 Foreign currency translation

##### Functional and presentation currency

The Company's functional and presentational currency is GBP.

##### Transactions and balances

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

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

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

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Consolidated statement of comprehensive income within 'other operating income'.

#### 2.14 Finance costs

Finance costs are charged to the Consolidated statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount.

#### 2.15 Operating leases: the Group as lessee

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

The Group has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 July 2014 to continue to be charged over the period to the first market rent review rather than the term of the lease.

# Notes to the Financial Statements

For the Year Ended 30 June 2016

## 2. Accounting policies (continued)

### 2.16 Pensions

#### Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payments obligations.

The contributions are recognised as an expense in the Consolidated statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.

### 2.17 Interest income

Interest income is recognised in the Consolidated statement of comprehensive income using the effective interest method.

### 2.18 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Income statement, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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

# Notes to the Financial Statements

For the Year Ended 30 June 2016

## 3. Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of the Group's accounting policies, the Directors are required to make judgments, estimates and assumptions. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below:

Amortisation and depreciation of intangible and tangible fixed assets which have been calculated in accordance with accounting policies 2.5 and 2.6 and which are disclosed in notes 14 and 15.

Estimation of costs to be accrued in respect of jobs which have been completed at the financial statement date where invoices have not been received from suppliers, which are included within accruals and deferred income at note 21.

## 4. Turnover

The whole of the turnover is attributable to relocation and storage services.

Analysis of turnover by country of destination:

	2016 £	2015 £
United Kingdom	3,856,811	4,001,488
Rest of the world	8,650,787	8,548,842
	<u>12,507,598</u>	<u>12,550,330</u>

## 5. Other operating income

	2016 £	2015 £
Other operating income	16,118	66,848
Net rents receivable	18,000	18,900
Commissions receivable	47,227	56,357
	<u>81,345</u>	<u>142,105</u>

# Notes to the Financial Statements

For the Year Ended 30 June 2016

## 6. Operating profit

The operating profit is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- owned by the group	204,330	189,926
- held under finance leases	5,708	5,708
Amortisation of intangible assets, including goodwill	129,043	129,043
Exchange differences	(55,500)	(77,225)
Operating lease rentals:		
- other	71,786	72,053
- land and buildings	598,546	598,232
Profit on sale of tangible assets	(13,260)	(12,753)

## 7. Auditor's remuneration

Fees payable to the Group's auditor in respect of:

Auditor's remuneration - audit of the company	12,500	10,610
Auditor's remuneration - audit of subsidiary companies	17,300	14,970
Taxation compliance services	7,100	6,970

## 8. Employees

Staff costs, including directors' remuneration, were as follows:

	2016 £	2015 £
Wages and salaries	3,455,790	3,312,038
Social security costs	335,953	330,841
Cost of defined contribution scheme	144,415	141,081
	<u>3,936,158</u>	<u>3,783,960</u>

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

	2016 No.	2015 No.
Administrative staff	66	55
Management staff	7	7
Moving staff and operatives	50	51
	<u>123</u>	<u>113</u>

# Notes to the Financial Statements

For the Year Ended 30 June 2016

## 9. Directors' remuneration

	2016 £	2015 £
Directors' emoluments	119,248	127,467
Company contributions to defined contribution pension schemes	14,499	15,029
	<u>133,747</u>	<u>142,496</u>

During the year retirement benefits were accruing to 2 directors (2015 -2) in respect of defined contribution pension schemes.

Total key management remuneration for the year was £205,559 (2015 - £214,262).

## 10. Interest receivable

	2016 £	2015 £
Other interest receivable	<u>5,597</u>	<u>4,019</u>

## 11. Interest payable

	2016 £	2015 £
Finance leases and hire purchase contracts	616	1,126
Other interest payable	58	-
	<u>674</u>	<u>1,126</u>

## 12. Taxation

	2016 £	2015 £
<b>Corporation tax</b>		
Current tax on profits for the year	83,527	112,521
Adjustments in respect of previous periods	(2,756)	1,483
<b>Total current tax</b>	<u>80,771</u>	<u>114,004</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	63,427	40,190
<b>Total deferred tax</b>	<u>63,427</u>	<u>40,190</u>
<b>Taxation on profit on ordinary activities</b>	<u>144,198</u>	<u>154,194</u>



# Notes to the Financial Statements

For the Year Ended 30 June 2016

## 12. Taxation (continued)

### Factors affecting tax charge for the year

The tax assessed for the year is higher than (2015 -higher than) the standard rate of corporation tax in the UK of 20% (2015 - 20%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	671,147	697,791
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2015 -20%)	134,229	139,558
<b>Effects of:</b>		
Non-tax deductible amortisation of goodwill	25,809	25,809
Expenses not deductible for tax purposes	1,008	1,714
Adjustments to tax charge in respect of prior periods	(2,756)	1,483
Other timing differences leading to an increase in taxation	2,124	1,846
Subsidiary amortisation removed on consolidation which is tax allowable	(16,216)	(16,216)
<b>Total tax charge for the year</b>	<b>144,198</b>	<b>154,194</b>

### Factors that may affect future tax charges

Legislation to reduce the main rate of corporation tax to 18% by 1 April 2020 was included in the Finance Act 2015 and has since become substantively enacted. Deferred tax has been provided for at 18% in these financial statements.

## 13. Parent company profit for the year

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements. The profit after tax of the parent Company for the year was £330,262 (2015 -£432,956).

## Notes to the Financial Statements

For the Year Ended 30 June 2016

### 14. Intangible assets

#### Group and Company

	Goodwill £
<b>Cost</b>	
At 1 July 2015	1,290,427
At 30 June 2016	<u>1,290,427</u>
<b>Amortisation</b>	
At 1 July 2015	582,121
Charge for the year	129,043
At 30 June 2016	<u>711,164</u>
<b>Net book value</b>	
At 30 June 2016	<u>579,263</u>
At 30 June 2015	<u>708,306</u>

# Notes to the Financial Statements

For the Year Ended 30 June 2016

## 15. Tangible fixed assets

Group

	Freehold property £	Leasehold Property £	Plant & equipment £	Motor vehicles £	Fixtures, fittings & computers £	Total £
<b>Cost</b>						
At 1 July 2015	15,405	303,147	349,949	1,674,620	623,145	2,966,266
Additions	-	-	46,583	241,367	20,588	308,538
Disposals	-	-	-	(78,644)	(67)	(78,711)
At 30 June 2016	<u>15,405</u>	<u>303,147</u>	<u>396,532</u>	<u>1,837,343</u>	<u>643,666</u>	<u>3,196,093</u>
<b>Depreciation</b>						
At 1 July 2015	5,217	173,660	296,995	1,139,310	567,850	2,183,032
Charge for the year	2,881	20,399	9,722	126,114	50,922	210,038
Disposals	-	-	-	(71,573)	(67)	(71,640)
At 30 June 2016	<u>8,098</u>	<u>194,059</u>	<u>306,717</u>	<u>1,193,851</u>	<u>618,705</u>	<u>2,321,430</u>
<b>Net book value</b>						
At 30 June 2016	<u>7,307</u>	<u>109,088</u>	<u>89,815</u>	<u>643,492</u>	<u>24,961</u>	<u>874,663</u>
At 30 June 2015	<u>10,188</u>	<u>129,487</u>	<u>52,954</u>	<u>535,309</u>	<u>55,295</u>	<u>783,233</u>

# Notes to the Financial Statements

For the Year Ended 30 June 2016

## Company

	Freehold property £	Leasehold Property £	Plant & equipment £	Motor vehicles £	Fixtures, fittings & computers £	Total £
<b>Cost</b>						
At 1 July 2015	15,405	78,865	272,588	1,498,031	536,478	2,401,367
Additions	-	-	46,583	241,367	15,663	303,613
Disposals	-	-	-	(78,644)	-	(78,644)
At 30 June 2016	<u>15,405</u>	<u>78,865</u>	<u>319,171</u>	<u>1,660,754</u>	<u>552,141</u>	<u>2,626,336</u>
<b>Depreciation</b>						
At 1 July 2015	5,217	78,865	258,450	1,045,873	480,867	1,869,272
Charge for the year	2,881	-	9,227	113,104	26,390	151,602
Disposals	-	-	-	(71,573)	-	(71,573)
At 30 June 2016	<u>8,098</u>	<u>78,865</u>	<u>267,677</u>	<u>1,087,404</u>	<u>507,257</u>	<u>1,949,301</u>
At 30 June 2016	<u>7,307</u>	<u>-</u>	<u>51,494</u>	<u>573,350</u>	<u>44,884</u>	<u>677,035</u>
At 30 June 2015	<u>10,188</u>	<u>-</u>	<u>14,138</u>	<u>452,158</u>	<u>55,611</u>	<u>532,095</u>

# Notes to the Financial Statements

For the Year Ended 30 June 2016

## 16. Fixed asset investments

### Group

	Unlisted investments £
<b>Cost</b>	
At 1 July 2015	61,425
At 30 June 2016	61,425
<b>Net book value</b>	
At 30 June 2016	61,425
At 30 June 2015	61,425

### Company

	Unlisted investments £
<b>Cost</b>	
At 1 July 2015	80,434
At 30 June 2016	80,434
<b>Net book value</b>	
At 30 June 2016	80,434
At 30 June 2015	80,434

Details of the subsidiaries can be found under note 17.

Investments in shares in subsidiaries amount to £53,646 (2015 - £53,646). Other investments relate to UTS Move Managers Limited £1,297 (2015 - £1,297), Harmony Holding B.V. £20,019 (2015 - £20,019) and International Movers Mutual Insurance Company Limited £5,472 (2015 - £5,472).

# Notes to the Financial Statements

For the Year Ended 30 June 2016

## 17. Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Atlantic International Movers Limited	England	Ordinary	100 %	Removals and storage
Gerson Relocation Limited	England	Ordinary	100 %	Removals and storage
UTS Move Managers Limited	England	Ordinary	100 %	Co-ordinates relocation and storage services

The company has agreed to provide the necessary financial support to allow one of its subsidiaries, Atlantic International Movers Limited, to continue trading for the foreseeable future, being a period of at least twelve months from the signing of these financial statements.

## 18. Stocks

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Materials	35,845	39,530	30,860	32,144

## 19. Debtors

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Trade debtors	1,161,870	1,254,563	279,152	408,814
Amounts owed by group undertakings	-	-	1,011,279	995,474
Other debtors	36,597	14,240	14,005	10,415
Prepayments and accrued income	1,116,419	1,037,640	279,186	223,384
Deferred taxation (note 25)	-	42,839	-	-
	2,314,886	2,349,282	1,583,622	1,638,087

## 20. Cash and cash equivalents

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Cash at bank and in hand	2,881,527	2,320,431	1,804,674	1,757,157

# Notes to the Financial Statements

For the Year Ended 30 June 2016

## 21. Creditors: Amounts falling due within one year

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Trade creditors	1,649,057	1,690,187	566,830	604,148
Amounts owed to group undertakings	-	-	-	5,263
Corporation tax	32,629	112,208	27,560	108,397
Taxation and social security	109,460	148,793	67,513	104,184
Obligations under finance lease and hire purchase contracts	5,151	6,421	-	-
Other creditors	68,836	73,890	65,487	70,785
Accruals and deferred income	1,107,779	998,398	348,600	372,480
	<u>2,972,912</u>	<u>3,029,897</u>	<u>1,075,990</u>	<u>1,265,257</u>

Hire purchase creditors are secured on the assets to which they relate.

## 22. Creditors: Amounts falling due after more than one year

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Net obligations under finance leases and hire purchase contracts	-	5,151	-	-
	<u>-</u>	<u>5,151</u>	<u>-</u>	<u>-</u>

Hire purchase creditors are secured on the assets to which they relate.

## 23. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2016 £	Group 2015 £
Within one year	5,151	6,421
Between 1-2 years	-	5,151
	<u>5,151</u>	<u>11,572</u>

# Notes to the Financial Statements

For the Year Ended 30 June 2016

## 24. Financial instruments

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
<b>Financial assets</b>				
Financial assets that are debt instruments measured at amortised cost	<u>1,198,467</u>	<u>1,268,803</u>	<u>1,304,436</u>	<u>1,414,703</u>
<b>Financial liabilities</b>				
Financial liabilities measured at amortised cost	<u>(2,570,464)</u>	<u>(2,597,971)</u>	<u>(891,764)</u>	<u>(981,814)</u>

Financial assets measured at amortised cost comprise of trade debtors, amounts owed by group undertakings and other debtors.

Financial Liabilities measured at amortised cost comprise of trade creditors, amounts owed to group undertakings, obligations under finance lease and hire purchase contracts, other creditors and accruals.

## 25. Deferred taxation

### Group

	2016 £	2015 £
At beginning of year	42,839	83,029
Charged to the profit or loss	(63,427)	(40,190)
<b>At end of year</b>	<u>(20,588)</u>	<u>42,839</u>

### Company

	2016 £	2015 £
At beginning of year	(75,109)	(73,082)
Credited/(charged) to the profit or loss	4,287	(2,027)
<b>At end of year</b>	<u>(70,822)</u>	<u>(75,109)</u>

The deferred taxation balance is made up as follows:

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Accelerated capital allowances	(78,266)	(86,173)	(72,750)	(76,062)
Tax losses carried forward	47,512	123,392	-	-
Other timing differences	10,166	5,620	1,928	953
	<u>(20,588)</u>	<u>42,839</u>	<u>(70,822)</u>	<u>(75,109)</u>



## Notes to the Financial Statements

For the Year Ended 30 June 2016

### 26. Share capital

	2016 £	2015 £
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
200,000 Ordinary shares of £1 each	<u>200,000</u>	<u>200,000</u>

### 27. Reserves

#### Capital redemption reserve

This reserve records the nominal value of shares repurchased by the company.

#### Profit & loss account

Includes all current and prior period retained profits and losses.

### 28. Contingent liabilities

Abels Moving Services Limited have in the past entered into an agreement to act as guarantor for an operating lease utilised by one of its subsidiary undertakings. The annual rent charge under this agreement amounts to £196,920 and the first break is in July 2021.

The company has agreed to provide the necessary financial support to allow one of its subsidiaries, Atlantic International Movers Limited, to continue trading for the foreseeable future, being a period of at least twelve months from the signing of these financial statements.

### 29. Pension commitments

The company and group operates defined contribution pension schemes. The pension cost charge represents contributions payable by the group to the scheme in the year.

At the year end company contributions of £10,567 (2015 - £9,685) were outstanding and are included within other creditors. Group contributions of £16,645 (2015 - £16,248) were outstanding and are included in other creditors.

# Notes to the Financial Statements

For the Year Ended 30 June 2016

## 30. Commitments under operating leases

At 30 June 2016 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Land and buildings			
	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Within 1 year	603,920	603,920	180,000	180,000
Between 2 and 5 years	1,955,317	2,262,317	606,667	686,667
After more than 5 years	466,667	763,587	466,667	566,667
	Other			
	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Within 1 year	49,733	57,071	16,718	27,978
Between 2 and 5 years	63,649	51,035	7,148	14,957

## 31. Related party transactions

Abels Moving Services Limited had common directors with North Quay Management Limited. During the year the company and group incurred rental charges of £100,000 (2015 - £100,000) from North Quay Management Limited. At the year end a balance of £30,000 (2015 - £30,000) was owed to North Quay Management Limited and is included within trade creditors of the company and group.

## 32. Post balance sheet events

Subsequent to the year end, on 14 October 2016, the entire ordinary share capital of the company was acquired by Momentous Relocation Limited, a company registered in England and Wales and controlled by P J Evans. Immediately afterwards, the company's investments in the entire ordinary share capital of Gerson Relocation Limited and Atlantic International Movers Limited were transferred to Momentous Relocation Limited.

## 33. Controlling party

At the financial statement date, the company's was controlled jointly by the directors, by virtue of their shareholdings in the company's issued share capital.

The company's ultimate parent undertaking is now AGM Relocation Limited, its subsidiary Momentous Relocation Limited having acquired the entire ordinary share capital of the company on 14 October 2016 (see note 32). AGM Relocation Limited is controlled by P J Evans.

## 34. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.