

**LOGISTEX LIMITED**

**Report and Financial Statements  
31 December 2014**



# **LOGISTEX LIMITED**

<b>CONTENTS</b>	<b>Page</b>
<b>Officers and professional advisers</b>	<b>1</b>
<b>Strategic report</b>	<b>2</b>
<b>Directors' report</b>	<b>4</b>
<b>Directors' responsibilities statement</b>	<b>5</b>
<b>Independent Auditor's report</b>	<b>6</b>
<b>Profit and loss account</b>	<b>8</b>
<b>Statement of total recognised gains and losses</b>	<b>8</b>
<b>Balance sheet</b>	<b>9</b>
<b>Notes to the financial statements</b>	<b>10</b>

# **LOGISTEX LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2014**

### **OFFICERS AND PROFESSIONAL ADVISERS**

#### **DIRECTORS**

J W Woodhouse  
M A Nicholson  
A D Branch  
K A J Sheridan  
S M Webber  
C D Morton  
D C Kay

#### **SECRETARY**

M A Nicholson

#### **REGISTERED OFFICE**

2700 Kettering Parkway  
Kettering  
Northamptonshire  
NN15 6XR

#### **AUDITOR**

Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Nottingham

# **LOGISTEX LIMITED**

## **STRATEGIC REPORT**

### **PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS**

The company's principal activity remained to design, build and maintain automated material handling systems for customers operating warehouses in the UK and selected overseas markets, thereby creating value for our stakeholders – our customers, our investors and our people.

We will achieve this through:

- Delivering value added engineering solutions
- Working with preferred customers
- Supporting customer focused long term relationships
- Integrating engineering and technical expertise
- Balancing risk and reward
- Maintaining an excellent safety record

The directors do not expect any change in this activity in the foreseeable future. The key performance indicators used by management to assess the development of the business are analysed below:-

Turnover for the year ended 31 December 2014 was £20,018,000 (2013:£16,383,000).

The operating profit for the year ended 31 December 2014 was £751,000 (2013:£524,000).

The retained profit for the year ended 31 December 2014 was £1,121,000 (2013: £996,000).

The directors paid a dividend in the year of £78,000 (2013: £247,000).

Net finance income for the year of £303,000 (2013: £157,000) included £294,000 of net finance income (2013: £152,000) on pension scheme liabilities and assets.

The taxation credit for the current year was £67,000 (2013: £315,000). A reconciliation of the actual tax charge to the standard rate of corporation tax is set out in note 6 to the financial statements.

The directors are confident of continued progress in the development of the business in the coming year.

### **GOING CONCERN**

The directors have considered the going concern assumption given the current economic climate and have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company has external banking overdraft facilities but is not forecast to use these facilities for the next 12 months. The directors have considered the future forecasts and given the current status of the order book and projected order intake, are confident that the group will have sufficient funding to conclude that it can operate as a going concern and can meet its liabilities as they fall due for the next 12 months. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

# **LOGISTEX LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

### **PRINCIPAL RISKS AND UNCERTAINTIES**

The company's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives are governed by the company's policies and is approved by the Board of Directors, which provide written principles on the use of financial derivatives to manage these risks. The company does not use derivative financial instruments for speculative purposes.

#### **Cash flow risk**

The company's activities expose it to the financial risks of changes in foreign currency exchange rates. The company used foreign exchange forward contracts to hedge these exposures.

#### **Credit risk**

The company's principal financial assets are bank balances, trade and other receivables.

The company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance 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 the cash flows.

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

#### **Liquidity risk**

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the company ensures regular review of working capital requirements.

### **EMPLOYMENT POLICIES**

The company has developed a wide range of voluntary practices and procedures for employee involvement. The company encourages this approach to provide information and consultation and believes this promotes understanding of the issues facing the individual business in which the employee works.

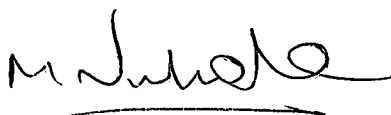
It is the company's policy to achieve and maintain a high standard of health and safety by all practical means and the active involvement of employees in matters of health and safety is encouraged.

It is the policy of the company to give full and fair consideration to applications made by disabled persons for job vacancies, where particular job requirements are within their ability and, where possible, arrangements are made for the continuing employment of employees who have been disabled.

### **RESEARCH AND DEVELOPMENT**

Product development and innovation is a continuous process. The company has committed additional resources to the development of new products to enhance the organic growth of the business.

Approved by the Board of Directors  
and signed on behalf of the Board



M A NICHOLSON  
Director

# **LOGISTEX LIMITED**

## **DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 31 December 2014.

### **DIRECTORS**

The directors who served during the year, and to the date of this report are as listed on page 1.

### **DIRECTORS' LIABILITIES**

The company has indemnified one or more directors of the company against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision was in force throughout the year and at the date of this report.

### **CHARITABLE AND POLITICAL DONATIONS**

During the year, the company donated £2,025 for charitable donations (2013:£2,842). No political donations were made during the year (2013:£Nil).

### **AUDITOR**

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

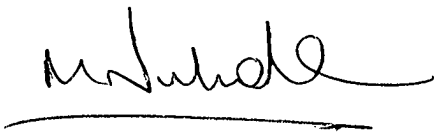
(1) so far as each of the directors is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the company's auditor is unaware; and

(2) each of the directors has taken all steps that he ought to have taken as a director in order to make himself aware of any relevant audit information 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 of the company and a resolution for that reappointment will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the Board

A handwritten signature in black ink, appearing to read 'M A Nicholson', is written over a horizontal line.

M A NICHOLSON  
Director

**DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; 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 LOGISTEX LIMITED**

We have audited the financial statements of Logistex Limited for the year ended 31 December 2014 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 21. 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 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 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 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 company's affairs as at 31 December 2014 and of its 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.



# LOGISTEX LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LOGISTEX LIMITED (CONTINUED)

### 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.

### 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

*Alistair Pritchard FCA*

Alistair Pritchard FCA (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Nottingham, United Kingdom

*31 March 2015*

# LOGISTEX LIMITED

## PROFIT AND LOSS ACCOUNT Year ended 31 December 2014

	Note	2014 £'000	2013 £'000
<b>TURNOVER</b>	2	20,018	16,383
Cost of sales		(15,680)	(12,768)
<b>Gross profit</b>		4,338	3,615
Administrative expenses		(3,587)	(3,091)
<b>OPERATING PROFIT</b>	4	751	524
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE FINANCE CHARGES</b>		751	524
Interest receivable	3	303	157
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		1,054	681
Tax on profit on ordinary activities	6	67	315
<b>PROFIT FOR THE FINANCIAL YEAR</b>	13,14	1,121	996

All results are derived from continuing activities.

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES Year ended 31 December 2014

	Note	2014 £'000	2013 £'000
Profit for the financial year		1,121	996
Actuarial gain/ (loss) on pension scheme	15	405	(2,061)
Deferred tax relating to actuarial (loss)/gain	6	-	-
<b>Total recognised gains and losses</b>		1,526	(1,065)

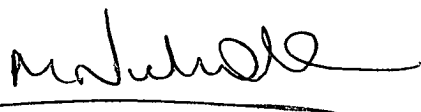
# LOGISTEX LIMITED

## BALANCE SHEET 31 December 2014

	Note	2014 £'000	2013 £'000
<b>FIXED ASSETS</b>			
Tangible assets	7	280	159
<b>CURRENT ASSETS</b>			
Stocks	8	547	521
Debtors	9	3,764	3,219
Cash at bank and in hand		2,600	2,266
		6,911	6,006
<b>CREDITORS: amounts falling due within one year</b>	10	(3,868)	(3,150)
<b>NET CURRENT ASSETS</b>		3,043	2,856
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		3,323	3,015
Provisions for liabilities	11	(100)	(100)
<b>NET ASSETS BEFORE PENSION LIABILITY</b>		3,223	2,915
Pension liability	15	(341)	(1,481)
<b>NET ASSETS</b>		2,882	1,434
<b>CAPITAL AND RESERVES</b>			
Called up share capital	12	239	239
Profit and loss account	13	2,643	1,195
<b>SHAREHOLDERS' FUNDS</b>	14	2,882	1,434

The financial statements of Logistex Limited (Company number 00334189) were approved by the Board of Directors and authorised for issue on 31 MARCH 2015

Signed on behalf of the Board of Directors



M A NICHOLSON

Director

# LOGISTEX LIMITED

## NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2014

### 1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below and have been applied consistently throughout the current and preceding year.

#### **Accounting convention**

The financial statements are prepared under the historical cost convention and are in accordance with applicable United Kingdom law and accounting standards, on a going concern basis as described in the strategic report and below.

#### **Going concern**

The directors have considered the going concern assumption given the current economic climate and have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company has external banking overdraft facilities but is not forecast to use these facilities for the next 12 months. The directors have considered the future forecasts and given the current status of the order book and projected order intake, are confident that the group will have sufficient funding to conclude that it can operate as a going concern and can meet its liabilities as they fall due for the next 12 months. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

#### **Statement of cash flow**

Under the provisions of FRS 1 'Cash Flow Statements' (revised 1996), the company has not prepared a cash flow statement because its ultimate parent undertaking as at 31 December 2014, Logistex Europe Limited has prepared consolidated financial statements which include the financial statements of the company and which contain a cash flow statement.

#### **Research and development costs**

Research costs are expensed as incurred.

Costs relating to clearly defined identifiable development projects are capitalised when there is a technical degree of exploitation, adequacy of resources and a potential market or development possibility in the undertaking that are recognisable, and where it is the intention to produce, market or execute the project. A correlation also exists between the costs incurred and future benefits and those can be measured reliably. Capitalised expenses are expensed on a straight-line basis over their useful lives. Costs not meeting such criteria are expensed as incurred.

#### **Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less accumulated depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value of each asset on a straight-line basis over their expected useful lives, as follows:

Plant and Equipment	4-10 years
---------------------	------------

#### **Stocks and work in progress**

Stocks are stated at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving items. In the case of finished goods and work in progress, cost comprises the actual cost of raw materials and direct labour and an appropriate proportion of manufacturing overheads based on normal level of activity. Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**Year ended 31 December 2014**

**1. ACCOUNTING POLICIES (Continued)**

**Taxation**

Current tax, including UK corporation tax and foreign 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 full on 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 not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued asset and the gain or loss expected to arise on sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

Deferred tax is measured at the average 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 measured on a non-discounted basis.

**Provisions**

Provisions are recognised when the company has a present obligation as a result of a past event, and it is probable that the company will be required to settle that obligation.

Provision are measured at management's best estimates of the expenditure required to settle the obligation at the balance sheet date, and are discounted to present value where the effect is material.

**Turnover**

Turnover comprises the invoiced value of goods and services supplied by the company exclusive of value added taxes. Revenue from the sale of goods is recognised when the significant risks and reward of ownership of the goods have been passed to the buyer, usually on despatch of goods.

Revenue from servicing and repair of assets which remain the property of their owners during the work is recognised over the period in which the service is provided.

In respect of all long-term contracts, turnover is calculated on a percentage completion basis, reflecting the extent to which the right to consideration has been earned. The amount by which recorded turnover on contracts is in excess of payments on account is recorded in debtors as 'amounts receivable on contracts'. Attributable profit is recognised on long-term contracts only when the profitable outcome of the contract can be reasonably foreseen and is calculated so as to reflect the proportion of work carried out at the year end. Full provision is made in respect of foreseeable losses on uncompleted contracts.

**Long-term contracts**

Long-term contracts are stated at costs incurred, which comprise cost of direct materials and labour plus appropriate overhead expenses, net of amounts transferred to cost of sales and after deducting foreseeable losses and payments on account not matched with turnover. To the extent that payments on account exceed the value at which long-term contracts are stated, they are included as 'payments received on account' within creditors.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**Year ended 31 December 2014**

**1. ACCOUNTING POLICIES (Continued)**

**Foreign currencies**

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are re-translated at the rate of exchange ruling at the balance sheet date. All exchange differences are taken to the profit and loss account.

**Defined benefit pension scheme**

Pension liabilities are measured at their present value in accordance with actuarial assumptions that are updated at each balance sheet date. Pension assets are measured at fair value. The pension liability or asset is recognised in the balance sheet

Pension costs for the company's defined benefit pension schemes and other post-retirement benefits are recognised as follows:

**Within operating profit**

- the current service cost arising from employee service in the current period,
- the prior service cost related to employee service in prior periods arising in the current period as a result of improvements to benefits, and
- gains and losses arising on unanticipated settlements or curtailments where the item that gave rise to the settlement or curtailment is recognised within operating profit.

**Within other finance cost or income**

- the interest cost on the liabilities, calculated by reference to the scheme liabilities and discount rate at the beginning of the period, and
- the expected returns on assets, calculated by reference to the assets and their long-term expected rate of return at the beginning of the period.

**Within the statement of recognised gains and losses**

- on the scheme assets – the difference between the expected and actual return on assets, and
- on the scheme liabilities – (a) the difference between the actuarial assumptions and actual experience, and (b) the effect of changes in actuarial assumptions.

**Defined contribution pension scheme**

Pension costs for the company's defined contribution pension scheme are recognised within operating profit or loss at an amount equal to the contributions payable to the scheme for the year. Any prepaid contributions at the balance sheet date are recognised respectively as assets within prepayments or accruals.

**Leasing and hire purchase commitments**

Assets obtained under hire purchase contracts and leases which result in the transfer to the company of substantially all the risks and rewards of ownership (finance leases) are capitalised as tangible fixed assets at the estimated present value of underlying lease payments and are depreciated over their expected useful lives or over the primary lease period, whichever is the shorter, in accordance with the above policy. The capital elements of future lease obligations are recorded as liabilities whilst the finance element of the rental payments are charged to the profit and loss account over the period of the lease or hire purchase contract so as to produce a constant rate of charge on the outstanding balance of the net obligations in each year. Rentals paid under other leases (operating leases) are charged against income on a straight line basis over the lease term.

**Finance costs**

Finance costs of financial liabilities are recognised in the profit and loss account over the term of such instructions at a constant rate of the carrying amount.

# LOGISTEX LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### Year ended 31 December 2014

#### 1. ACCOUNTING POLICIES(Continued)

##### Derivative financial instruments

The Company uses derivative financial instruments to reduce exposure to foreign exchange risk and interest rate movements. The Company does not hold or issue derivative financial instruments for speculative purposes.

#### 2. ANALYSIS OF TURNOVER

Turnover and profit before taxation is derived from a single business segment, being the principal activity of the company. An analysis by geographical market is given below:

Analysis by geographical market:	2014 £'000	2013 £'000
United Kingdom	17,969	14,000
Rest of Europe	1,810	2,144
North America	231	227
Rest of the world	8	12
	<u>20,018</u>	<u>16,383</u>

#### 3. INTEREST RECEIVABLE

	2014 £'000	2013 £'000
Defined benefit pension credit	294	152
Bank interest	4	5
Other interest	5	-
	<u>303</u>	<u>157</u>

#### 4. OPERATING PROFIT

Operating profit is stated after charging:	2014 £'000	2013 £'000
Depreciation of owned tangible fixed assets	93	70
Fees payable to the company's auditor for the audit of the company's financial statements	25	21
Fees payable to the company's auditor for other services	29	19
Operating lease rentals		
- other	436	357
- land and buildings	159	166
	<u></u>	<u></u>

# LOGISTEX LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) Year ended 31 December 2014

### 5. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2014 £'000	2013 £'000
<b>Staff costs during the year</b>		
Wages and salaries	9,130	8,432
Social security costs	923	865
Defined contribution pension costs	306	246
	<u>10,359</u>	<u>9,543</u>
	<b>Number</b>	<b>Number</b>
<b>Average number of employees (including directors)</b>		
Production	187	181
Distribution	3	3
Administration	28	25
	<u>218</u>	<u>209</u>
	<b>£'000</b>	<b>£'000</b>
<b>Directors' remuneration</b>		
Emoluments	563	548
Defined contribution pension costs	48	43
	<u>611</u>	<u>591</u>
	<b>Number</b>	<b>Number</b>
<b>Number of directors who:</b>		
Are members of a defined benefit pension scheme	<u>1</u>	<u>1</u>
	<b>£'000</b>	<b>£'000</b>
<b>Remuneration of highest paid director</b>		
Emoluments	142	153
Defined contribution pension costs	13	12
	<u>155</u>	<u>165</u>

Five directors (2013: Five directors) are remunerated through the company and their remuneration is disclosed above. Two non executive directors who served during the year received £21,264 remuneration for their services to the company (2013: £22,039).



# LOGISTEX LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### Year ended 31 December 2014

#### 6. TAX ON PROFIT ON ORDINARY ACTIVITIES

a)	Analysis of tax (credit)/charge in the year:	2014 £'000	2013 £'000
	<b>Current tax</b>		
	Taxation in respect of a foreign establishment	6	8
	Adjustment to tax charge in respect of previous periods	(73)	(323)
	<b>Total current tax (note 6b)</b>	(67)	(315)
	<b>Deferred tax</b>	-	-
	<b>Total tax credit</b>	(67)	(315)

#### b) Factors affecting current corporation tax credit in the year:

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit on ordinary activities before taxation is as follows:

	2014 £'000	2013 £'000
Profit on ordinary activities before taxation	1,054	681
Tax on profit on ordinary activities at the standard rate of 21.49% (2013: 23.25%)	226	158
<b>Effects of:</b>		
Non-deductible expenses	2	1
Capital allowances in excess of depreciation	(54)	(3)
Other timing differences	(149)	(131)
Losses brought forward utilised	(25)	(25)
Adjustment to tax charge in respect of previous periods	(73)	(323)
Taxation on foreign profits	6	8
<b>Current tax credit (note 6a)</b>	(67)	(315)

Deferred tax asset in respect of other timing differences of £564,000 (2013: £962,000) has not been recognised due to the uncertainty of further profit streams over and above those forecast for the recovery of the deferred tax asset arising on the pension deficit.

The UK corporation tax rate reduced from 23% to 21% with effect from 1 April 2014. Further tax rate reductions to 20% with effect from 1 April 2015 were substantively enacted on 2 July 2013. The rate of 20% is used for the calculation of the deferred tax position at 31 December 2014.

# LOGISTEX LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### Year ended 31 December 2014

#### 7. TANGIBLE FIXED ASSETS

	Plant and equipment £'000
<b>Cost</b>	
At 1 January 2014	1,442
Additions	214
	<hr/>
At 31 December 2014	1,656
	<hr/>
<b>Depreciation</b>	
At 1 January 2014	1,283
Charge for the year	93
	<hr/>
At 31 December 2014	1,376
	<hr/>
<b>Net book value</b>	
At 31 December 2014	280
	<hr/>
At 31 December 2013	159
	<hr/>

#### 8. STOCKS

	2014 £'000	2013 £'000
Finished goods and goods for resale	547	521
	<hr/>	<hr/>

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

#### 9. DEBTORS

	2014 £'000	2013 £'000
<b>Amounts due within one year</b>		
Trade debtors	1,997	2,469
Amounts recoverable on contracts	766	250
Prepayments and accrued income	481	378
Amounts owed by related parties	224	-
VAT	104	-
Corporation tax receivable	192	122
	<hr/>	<hr/>
	3,764	3,219
	<hr/>	<hr/>

# LOGISTEX LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) Year ended 31 December 2014

### 10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £'000	2013 £'000
Payments received on account	673	331
Trade creditors	1,175	1,179
Amounts owed to fellow group undertakings	51	51
Other taxation and social security	920	711
Other creditors	50	49
Accruals and deferred income	999	829
	<u>3,868</u>	<u>3,150</u>

### 11. PROVISIONS FOR LIABILITIES

	Property provisions £'000
At 1 January 2014	<u>100</u>
At 31 December 2014	<u>100</u>

Property provisions relate to dilapidation assessments by third party experts. The provision is expected to be utilised in the next 42 months.

### 12. CALLED UP SHARE CAPITAL

	2014 £'000	2013 £'000
<b>Called up, allotted and fully paid</b>		
954,500 ordinary share of £0.25	<u>239</u>	<u>239</u>

# LOGISTEX LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) Year ended 31 December 2014

### 13. CAPITAL AND RESERVES

	Share capital £'000	Profit and loss account £'000	Total £'000
At 1 January 2014	239	1,195	1,434
Profit for the year	-	1,121	1,121
Dividends paid (see Note 18)	-	(78)	(78)
Actuarial gain on retirement benefit obligations	-	405	405
At 31 December 2014	239	2,643	2,882

### 14. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2014 £'000	2013 £'000
Profit after taxation attributable to shareholders	1,121	996
Dividends paid (see Note 18)	(78)	(247)
Actuarial gain / (loss) net of deferred tax on defined benefit pension scheme	405	(2,061)
	1,448	(1,312)
Opening shareholders' funds	1,434	2,746
Closing shareholders' funds	2,882	1,434

### 15. PENSION COMMITMENTS – RETIREMENT BENEFIT SCHEMES

#### Defined contribution scheme

The company participates in a defined contribution pension scheme, the assets of which are held externally to the company in a separate trust administered fund. Contributions to this scheme in the year amounted to £306,000 (2013: £246,000).

As at 31 December 2014, contributions of £61,000 (2013: £49,000) had not yet been paid over to the scheme.

#### Defined benefit scheme member

The company is a participating member of the Cleco Combined Pension Scheme. The scheme funds are administered by trustees and are independent of the company's finances. The date of the most recent full actuarial valuation was 5 April 2012.

The valuation of the scheme shows the following liability: UK group scheme £341,000 (2013: liability £1,481,000).

The cost of the scheme is determined in accordance with FRS 17 with the advice of independent professionally qualified actuaries on the basis of formal actuarial valuations using the projected unit method. Independent actuarial valuations are undertaken triennially with the most recent full valuation, on which the amounts in the financial statements are based, having been carried out on 5 April 2012.

The measurement bases required by FRS 17 are likely to give rise to significant fluctuations in the reported amounts of the defined benefit pension scheme's assets and liabilities from year to year, and do not necessarily give rise to a change in the contributions payable into the scheme, which are recommended by the independent actuaries based on the expected long-term rate of return on the scheme assets.

# LOGISTEX LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### Year ended 31 December 2014

#### 15. PENSION COMMITMENTS – RETIREMENT BENEFIT SCHEMES (continued)

The company is expected to contribute £35,000 per month to the scheme increasing to £36,000 per month from April 2013 and increasing by a further £1,000 per month every April from 2014 based upon the 2012 Independent actuarial valuation. The Company expects to contribute £452,000 to the scheme in 2015.

The assets of the scheme and the expected rates of return at 31 December 2014 were as follows:

	2014 Long term rate of return expected %	2014 Value £'000	2013 Long term rate of return expected %	2013 Value £'000
Equities	3.60	14,200	7.80	13,862
Debt instruments	3.60	15,578	3.80	9,608
Other assets	3.60	54	3.80	94
<b>Total fair value of scheme assets</b>		<b>29,832</b>		<b>23,564</b>
Present value of scheme liabilities		(30,173)		(25,045)
<b>Net deficit in scheme</b>		<b>(341)</b>		<b>(1,481)</b>

The figures above were calculated on the basis of the following assumptions:

	2014 %	2013 %
Discount rate	3.60	4.60
Future pension increases	3.00	3.10
Inflation – RPI	3.20	3.30
Inflation - CPI	2.20	2.30

Movements in the present value of defined benefit obligations were as follows:

	2014 £'000	2013 £'000
At 1 January 2014	(25,045)	(23,392)
Interest cost	(1,137)	(1,061)
Actuarial losses	(4,648)	(1,236)
Benefits paid	657	644
<b>At 31 December 2014</b>	<b>(30,173)</b>	<b>(25,045)</b>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**Year ended 31 December 2014**

**15. PENSION COMMITMENTS – RETIREMENT BENEFIT SCHEMES (Continued)**

<b>Movements in the value of scheme assets were as follows:</b>	<b>2014 £'000</b>	<b>2013 £'000</b>
At 1 January 2014	23,564	23,425
Expected return on plan assets	1,431	1,213
Actuarial gain/(loss)	5,053	(859)
Member company contributions	441	429
Benefits paid	(657)	(644)
At 31 December 2014	<u>29,832</u>	<u>23,564</u>

**Mortality assumptions**

The mortality assumptions for the plan at 31 December 2013 and 2014 are 100% S1PA (year of birth tables) allowing for CMI 2011 projection with a 1% pa long term trend.

<b>The assumed life expectancy on retirement at age 65 are:</b>	<b>2014</b>	<b>2013</b>
Retiring today:		
Males	87.2	87.2
Females	89.4	89.4
Retiring in 20 years:		
Males	88.5	88.5
Females	90.9	90.9

# LOGISTEX LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) Year ended 31 December 2014

### 15. PENSION COMMITMENTS – RETIREMENT BENEFIT SCHEMES (Continued)

Amounts recognised in the financial statements in respect of the defined benefit scheme:

	2014 £'000	2013 £'000
Current service cost	-	-
	<b>2014 £'000</b>	<b>2013 £'000</b>
<b>Included within finance costs:</b>		
Interest cost	1,137	1,061
Expected return on assets	(1,431)	(1,213)
	<b>(294)</b>	<b>(152)</b>
	<b>2014 £'000</b>	<b>2013 £'000</b>
<b>Included within the statement of total recognised gains and losses</b>		
Actuarial losses on scheme liabilities	(4,648)	(1,236)
Actuarial gain/(loss) on scheme assets	5,053	(859)
Adjustment resulting from FRS17 paragraph 67d	-	34
	<b>405</b>	<b>(2,061)</b>

The cumulative amount of actuarial gains and losses recognised in the statement of total recognised gains and losses is a loss of £4,273,000 (2013: loss of £4,678,000).

The remainder of the five year history of experience adjustments is as follows:

	31 December 2014 £'000	31 December 2013 £'000	31 December 2012 £'000	31 December 2011 £'000	31 December 2010 £'000
Present value of defined benefit obligations	(30,173)	(25,045)	(23,392)	(22,743)	(21,873)
Fair value of scheme assets	29,832	23,564	23,425	21,890	18,445
Effect of asset limit	-	-	(33)	-	-
<b>Net deficit</b>	<b>(341)</b>	<b>(1,481)</b>	<b>-</b>	<b>(853)</b>	<b>(3,428)</b>
Experience adjustments on scheme liabilities	(4,648)	(1,236)	(326)	(283)	1,363
Percentage of scheme liabilities %	(15)%	(5)%	(1)%	(1)%	6%
Experience adjustments on scheme assets	5,053	(859)	(730)	1,310	(114)
Percentage of scheme assets	17%	(4)%	(3)%	6%	(1)%

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**Year ended 31 December 2014**

**16. FINANCIAL INSTRUMENTS**

At 31 December 2014, the company held a number of forward foreign exchange contracts.

	<b>Currency</b>	<b>Principal</b>	<b>Maturity</b>	<b>Average exchange rate</b>
Company sells	Euro	1.45 million	January to October 2015	1.2495
Company buys	Euro	0.13 million	August 2015	1.2444

Fair value is defined as the amount of which a financial instrument could be exchanged in an arm's length transaction between informed and willing parties and is calculated by reference to market process discounted to current value. Where market values are not available, fair values have been calculated by discounting cash flows at prevailing rates translated at year end exchange rates.

	<b>31 December 2014 Fair value £'000</b>	<b>31 December 2013 Fair value £'000</b>
<b>Derivative financial instruments – current</b>		
Forward foreign exchange contracts	23	-

**Foreign currency risk**

The company uses forward foreign exchange contracts to hedge foreign currency exposures on committed, and occasionally forecast, receipts and payments in foreign currencies.

**17. LEASE COMMITMENTS**

Annual commitments under non-cancellable operating leases are as follows:

	<b>Land and buildings 2014 £'000</b>	<b>2013 £'000</b>
<b>Operating leases which expire:</b>		
Between two and five years	118	118
	<b>Other</b>	
	<b>2014 £'000</b>	<b>2013 £'000</b>
<b>Operating leases which expire:</b>		
Within one year	8	82
Between two and five years	362	175
	370	257



# LOGISTEX LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### Year ended 31 December 2014

#### 18. DIVIDENDS

	2014 £'000	2013 £'000
Dividends paid - £0.08 per ordinary share (2013: £0.26 per ordinary share)	78	247

#### 19. CONTINGENT LIABILITIES

On 7 May 2014 the company entered into agreement with Logistex Europe Limited and Logistex Properties Limited to provide a cross guarantee in relation to the mortgage held within Logistex Properties Limited.

#### 20. RELATED PARTY TRANSACTIONS

As at 31 December 2014, the company was a wholly owned subsidiary of Logistex Europe Limited, the consolidated financial statements of which are publicly available. Copies of its group financial statements, which included the company, are available from 2700 Kettering Parkway Kettering, Northamptonshire, NN15 6XR Accordingly, the company has taken advantage of the exemption in FRS 8 from disclosing transactions with Logistex Europe Limited.

During the year, Logistex Limited loaned an amount of £225,000 to Logistex Properties Limited, a company which is owned by the majority of directors of Logistex Limited, but which is not part of the Logistex Europe Limited Group. Logistex Limited recharged property acquisition costs of £18,000 (2013: £Nil.) to Logistex Properties Limited and were recharged £3,000 (2013: £Nil) by Logistex Properties Limited for property maintenance costs. Logistex Limited also paid rent to Logistex Properties Limited totalling £71,000 (2013: £Nil). At the year end £224,000 remained payable to Logistex Limited by Logistex Properties Limited.

#### 21. ULTIMATE PARENT COMPANY

As at 31 December 2014, the directors regarded Logistex Europe Limited, a company incorporated in Great Britain and registered in England and Wales, as the company's immediate and ultimate parent undertaking for the year ended 31 December 2014. The controlling party is considered to be the shareholders of Logistex Europe Limited, no single party has a controlling interest.