

**LOGISTEX LIMITED**

**Annual Report and Financial Statements  
31 December 2017**

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COMPANIES HOUSE

# **LOGISTEX LIMITED**

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# **LOGISTEX LIMITED**

## **ANNUAL REPORT AND FINANCIAL STATEMENTS 2017**

### **OFFICERS AND PROFESSIONAL ADVISERS**

#### **DIRECTORS**

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

#### **SECRETARY**

M A Nicholson

#### **REGISTERED OFFICE**

2700 Kettering Parkway  
Kettering  
Northamptonshire  
NN15 6XR

#### **AUDITOR**

Deloitte LLP  
Statutory Auditor  
Cambridge

## STRATEGIC REPORT

### REVIEW OF THE BUSINESS

The company's principal activity remain 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.

The directors do not expect any change in this activity in the foreseeable future.

Order intake in 2017 continued to strengthen, being 15.6% higher than 2016. This, along with a strong order book at the start of 2017, contributed to the increase in sales. The improvement in the quality of project delivery, reported in 2016, continued throughout 2017. The majority of projects were delivered to time in 2017. These factors resulted in the operating profit growing by a further 3% in 2017.

We expect the profitability to continue to grow and the balance sheet strengthen further in the coming 12 months. With further investment in our people, recruitment of additional heads, the development of long-term partnerships with providers of specialist technology coupled with the roll out of continual improvement projects will enable the company to strengthen its position in the UK logistics automation marketplace.

### KEY PERFORMANCE INDICATORS

The key performance indicators used by management to assess the development of the business are analysed below:-

Turnover for the year ended 31 December 2017 was £26,238,000 (2016: £25,399,000).

The operating profit for the year ended 31 December 2017 was £1,791,000 (2016: £1,730,000).

The retained profit for the year ended 31 December 2017 was £1,646,000 (2016: £1,812,000).

The directors paid a dividend in the year of £717,000 (2016: £669,000).

Net finance income for the year of £29,000 (2016: £4,000) included £8,000 of net finance expense (2016: £5,000) on pension scheme liabilities and assets.

The taxation charge for the current year was £174,000 compared to a tax credit in 2016 of £78,000. A reconciliation of the actual tax charge to the standard rate of corporation tax is set out in note 9 to the financial statements.

### PRINCIPAL RISKS AND UNCERTAINTIES

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

#### Cash flow risk

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

#### Credit risk

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

The Group'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 Group 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 group ensures regular review of working capital requirements.

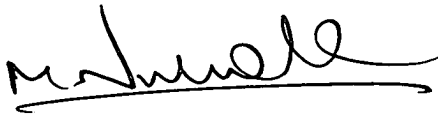
**STRATEGIC REPORT (CONTINUED)**

**FUTURE DEVELOPMENTS**

The directors expect the general level of activity to increase in the forthcoming year. This is as a result of continued organic growth, continued buoyancy in the market place and specific growth initiatives. These initiatives are targeted at new customers and include the development and deployment of innovative Engineering Support Services, selling Warehouse Management software independently of an automation solution and focusing existing services directly into the e-commerce marketplace.

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
- Being an employer of choice



M A NICHOLSON  
Director  
2700 Kettering Parkway  
Kettering  
Northamptonshire  
NN15 6XR

26 June 2018

## **DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 31 December 2017.

In accordance with section 414C(11) of the Companies Act, included in the strategic report is information relating to the financial risk management and future developments of the company, which would otherwise be required to be contained in the Directors' report.

## **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.

## **GOING CONCERN**

The directors have considered the going concern assumption given the current economic climate and have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group 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 continue to operate as a going concern meeting its liabilities as they fall due for a minimum of 12 months from the date of approval of these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

## **DIVIDENDS**

During the year total dividends of £717,000 (75p per ordinary share) were paid, (2016: £669,000 (70p per ordinary share)).

## **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.

## **EMPLOYEE CONSULTATION**

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.

## **CHARITABLE AND POLITICAL DONATIONS**

During the year, the company donated £1,015 for charitable donations (2016: £2,817). No political donations were made during the year (2016: £Nil).

## **EVENTS AFTER THE BALANCE SHEET DATE**

There have been no significant events since the balance sheet date to report.

**DIRECTORS' REPORT (CONTINUED)**

**AUDITOR**

Each of the persons who is a director at the date of approval of this report confirms that:

(1) so far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware; and

(2) the directors have taken all steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

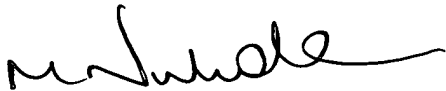
This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditor of the company and a resolution for their reappointment will be proposed at the forthcoming Annual General Meeting.

**APPROVAL OF REDUCED DISCLOSURES**

The Company, as a qualifying entity, has taken advantage, in respect of its separate financial statements, of the disclosure exemptions in FRS 102 paragraph 1.12. The Company's shareholders have been notified in writing about the intention to take advantage of the disclosure exemptions and no objections have been received.

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



M A NICHOLSON  
Director  
2700 Kettering Parkway  
Kettering  
Northamptonshire  
NN15 6XR

Date 20 June 2010

**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), including FRS 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 of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; 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**

**Report on the audit of the financial statements**

**Opinion**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Logistex Limited (the 'company') which comprise:

- the profit and loss account;
- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 20.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

**Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

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

**Responsibilities of directors**

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Report on other legal and regulatory requirements**

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

## **LOGISTEX LIMITED**

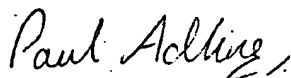
### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LOGISTEX LIMITED (CONTINUED)**

#### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.



Paul Adkins FCA (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Statutory Auditor  
Cambridge, United Kingdom

29 June 2018

# LOGISTEX LIMITED

## PROFIT AND LOSS ACCOUNT

Year ended 31 December 2017

	Note	2017 £'000	2016 £'000
<b>TURNOVER</b>	3	26,238	25,399
Cost of sales		(20,128)	(19,514)
<b>GROSS PROFIT</b>		6,110	5,885
Administrative expenses		(4,319)	(4,155)
<b>OPERATING PROFIT</b>		1,791	1,730
Finance income (net)	6	29	4
<b>PROFIT BEFORE TAXATION</b>	4	1,820	1,734
Tax on profit	9	(174)	78
<b>PROFIT FOR THE FINANCIAL YEAR</b>		1,646	1,812

All results are derived from continuing activities.

# LOGISTEX LIMITED

## STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2017

	Note	2017 £'000	2016 £'000
<b>Profit for the financial year</b>		<u>1,646</u>	<u>1,812</u>
Remeasurement of net defined benefit liability	15	<u>(27)</u>	<u>(608)</u>
<b>Other comprehensive income</b>		<u>(27)</u>	<u>(608)</u>
<b>Total comprehensive income</b>		<u><u>1,619</u></u>	<u><u>1,204</u></u>

The total profit for the period is attributable to the equity shareholders of the company.

The total comprehensive income for the period is attributable to the equity shareholders of the company.

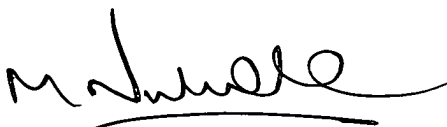
# LOGISTEX LIMITED

## BALANCE SHEET At 31 December 2017

	Note	2017 £'000	2016 £'000
<b>FIXED ASSETS</b>			
Tangible assets	10	496	351
<b>CURRENT ASSETS</b>			
Stocks	11	495	547
Debtors	12	4,634	4,692
Cash at bank and in hand		4,777	4,821
		9,906	10,060
<b>CREDITORS:</b>			
Amounts falling due within one year	13	(5,549)	(6,028)
<b>NET CURRENT ASSETS</b>		4,357	4,032
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		4,853	4,383
Provisions for liabilities	14	(30)	(20)
<b>NET ASSETS BEFORE PENSION ASSET / (LIABILITY)</b>		4,823	4,363
Pension asset / (liability)	15	27	(415)
<b>NET ASSETS</b>		4,850	3,948
<b>CAPITAL AND RESERVES</b>			
Called up share capital	16	239	239
Profit and loss account	16	4,611	3,709
<b>SHAREHOLDERS' FUNDS</b>		4,850	3,948

The financial statements of Logistex Limited (Company number 00334189) were approved by the Board of Directors and authorised for issue on 26/6 2018,

Signed on behalf of the Board of Directors



M A NICHOLSON

Director

**STATEMENT OF CHANGES IN EQUITY**

**At 31 December 2017**

	<b>Called-up share capital £'000</b>	<b>Profit and loss account £'000</b>	<b>Total £'000</b>
<b>At 1 January 2016</b>	239	3,174	3,413
Profit for the financial year	-	1,812	1,812
Remeasurement of net defined benefit liability (note 15)	-	(608)	(608)
<b>Total comprehensive income</b>	-	1,204	1,204
Dividends paid on equity shares (note 18)	-	(669)	(669)
<b>At 31 December 2016</b>	239	3,709	3,948
Profit for the financial year	-	1,646	1,646
Remeasurement of net defined benefit liability (note 15)	-	(27)	(27)
<b>Total comprehensive income</b>	-	1,619	1,619
Dividends paid on equity shares (note 18)	-	(717)	(717)
<b>At 31 December 2017</b>	239	4,611	4,850

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 December 2017**

**1. ACCOUNTING POLICIES**

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

**1.1 General information and basis of accounting**

Logistex Limited is a company incorporated in the United Kingdom under the Companies Act 2006.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The Company is a private Company limited by shares and is registered in England and Wales. The address of the Company's registered office is shown on page 1.

The nature of the company's operations and its principal activities are set out in the strategic report on page 2.

The functional currency of Logistex Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates. Foreign operations are included in accordance with the policies set out below.

Logistex Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Exemptions have been taken in relation to presentation of a cash flow statement and remuneration of key management personnel.

**1.2 Going concern**

The directors have considered the going concern assumption given the current economic climate and have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group 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 continue to operate as a going concern meeting its liabilities as they fall due for a minimum of 12 months from the date of approval of these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

**1.3 Research and development costs**

Research costs are expensed as incurred.

**1.4 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, 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
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**Year ended 31 December 2017**

**1. ACCOUNTING POLICIES (Continued)**

**1.5 Stocks and work in progress**

Stocks are stated at the lower of cost and estimated selling price less costs to sell, which is equivalent to the net realisable value. In the case of finished goods, cost comprises the actual cost of raw materials and direct labour and an appropriate proportion of manufacturing overheads based on normal level of activity. Provision is made for obsolete, slow-moving or defective items where appropriate.

**1.6 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 respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. In other cases, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**Year ended 31 December 2017**

**1. ACCOUNTING POLICIES (Continued)**

**1.7 Turnover**

Turnover is stated net of VAT and trade discounts and is recognised when the significant risks and rewards are considered to have transferred to the buyer. Turnover from the sale of goods is recognised when ownership of the goods is deemed to have been transferred, usually on despatch of goods.

Turnover 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 recoverable 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.

**1.8 Construction contracts**

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the balance sheet date. This is normally measured by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred where it is probable they will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

**1.9 Employee benefits**

For defined benefit schemes the amounts charged to operating profit are the costs arising from employee services rendered during the period and the cost of plan introductions, benefit changes, settlements and curtailments. They are included as part of staff costs. The net interest cost on the net defined benefit liability is charged to profit or loss and included within finance costs. Remeasurement comprising actuarial gains and losses and the return on scheme assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in other comprehensive income.

Defined benefit schemes are funded, with the assets of the scheme held separately, from those of the Company, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date.

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Other long-term employee benefits are measured at the present value of the benefit obligation at the reporting date.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**Year ended 31 December 2017**

**1. ACCOUNTING POLICIES (Continued)**

**1.10 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 in the period in which they occur.

**1.11 Leases**

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

**1.12 Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

**1.13 Financial instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

**(i) Financial assets and liabilities**

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the balance sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**Year ended 31 December 2017**

**1. ACCOUNTING POLICIES (continued)**

**1.13 Financial instruments (continued)**

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

(ii) Fair value measurement

The only fair value measurement performed by the Company is over derivative foreign currency forward contracts. The fair value is measure by revaluing the contract to the foreign exchange rate ruling at the balance sheet date.

**2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. 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.

**Critical judgements in applying the Company's accounting policies**

There are no critical judgements made in preparing the Company's financial statements.

**Key source of estimation uncertainty**

The company's key source of estimation relates to the estimate of costs to complete for ongoing contracts, as this estimation is a key driver in the determination of contract revenue and the timing of its recognition. Costs are estimated by project managers, who are both experienced and closest to the progress of individual contracts.

The cost of defined benefit pension plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, asset returns, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty. In determining the appropriate discount rate, management considers the interest rates of the Corporate bond model (Global RATE: Link 10:90 model with gilts adjustment). The mortality rate is based on publicly available UK mortality tables and pension increases are based on the UK's expected future inflation rates.

# LOGISTEX LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### Year ended 31 December 2017

#### 3. ANALYSIS OF TURNOVER

An analysis of the company's turnover is as follows:

	2017 £'000	2016 £'000
Rendering of services	14,011	11,943
Income from construction contracts	12,227	13,456
	<u>26,238</u>	<u>25,399</u>

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:

	2017 £'000	2016 £'000
United Kingdom	24,656	23,126
Rest of Europe	1,465	2,009
North America	101	235
Rest of the world	16	29
	<u>26,238</u>	<u>25,399</u>

#### 4. PROFIT BEFORE TAXATION

Profit before taxation is stated after charging/(crediting):

	2017 £'000	2016 £'000
Depreciation of tangible fixed assets (note 10)	190	164
Operating lease rentals	567	575
Foreign exchange (gain)/loss	(60)	1
Impairment of stock recognised as an expense	19	23
	<u></u>	<u></u>

# LOGISTEX LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) Year ended 31 December 2017

### 5. AUDITOR'S REMUNERATION

Fees payable to Deloitte LLP are disclosed in the financial statements of the parent company, Logistex Europe Limited.

### 6. FINANCE INCOME (NET)

	2017 £'000	2016 £'000
Defined benefit pension debit	(8)	(5)
Bank interest receivable	37	9
	<u>29</u>	<u>4</u>

### 7. STAFF NUMBERS AND COSTS

	2017 £'000	2016 £'000
<b>Staff costs during the year</b>		
Wages and salaries	11,311	10,673
Social security costs	1,206	1,174
Defined benefit pension costs	393	375
	<u>12,910</u>	<u>12,222</u>
	<b>Number</b>	<b>Number</b>
<b>Average number of employees (including directors)</b>		
Production	218	206
Distribution	3	3
Administration	33	30
	<u>254</u>	<u>239</u>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**Year ended 31 December 2017**

**8. DIRECTORS REMUNERATION AND TRANSACTIONS**

The directors of Logistex Limited are also directors of are also directors of other Logistex Europe Ltd, the parent. Logistex Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of disclosure of remuneration of key management personnel. Details of the director's remuneration can be found in the group accounts of Logistex Europe Ltd.

**9. TAX ON PROFIT**

The tax charge comprises:

	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
<b>Current tax on profit</b>		
UK tax	113	-
Foreign tax	2	4
	<hr/>	<hr/>
	115	4
Adjustments in respect of prior years		
UK corporation tax	-	(82)
	<hr/>	<hr/>
<b>Total current tax</b>	115	(78)
<b>Deferred tax</b>	59	-
	<hr/>	<hr/>
<b>Total tax on profit</b>	<u>174</u>	<u>(78)</u>

The Finance Act 2016, which provides for reductions in the main rate of corporation tax from 19% to 17% effective from 1 April 2020 was substantively enacted on 13 September 2016. These rate reductions have been reflected in the calculation of deferred tax at the balance sheet date.

# LOGISTEX LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) Year ended 31 December 2017

### 9. TAX ON PROFIT (continued)

The difference between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2017 £'000	2016 £'000
<b>Profit before tax</b>	<u>1,820</u>	<u>1,734</u>
Tax on profit at standard UK corporation tax rate of 19.25% per cent (2016: 20%)	350	347
Effects of:		
Expenses not deductible for tax purposes	12	2
Deferred tax not provided	-	(349)
Tax effect of losses carried forward	(190)	-
Taxation of foreign profits	2	4
Adjustments to tax charge in respect of previous periods	-	(82)
<b>Total tax charge/(credit) for the year</b>	<u>174</u>	<u>(78)</u>

### 10. TANGIBLE FIXED ASSETS

	Plant and equipment £'000
<b>Cost</b>	
At 1 January 2017	1,644
Additions	<u>335</u>
At 31 December 2017	<u>1,979</u>
<b>Depreciation</b>	
At 1 January 2017	1,293
Charge for the year	<u>190</u>
At 31 December 2017	<u>1,483</u>
<b>Net book value</b>	
At 31 December 2017	<u>496</u>
At 31 December 2016	<u>351</u>



# LOGISTEX LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### Year ended 31 December 2017

#### 11. STOCKS

	2017 £'000	2016 £'000
Finished goods and goods for resale	495	547

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

#### 12. DEBTORS

	2017 £'000	2016 £'000
<b>Amounts due within one year</b>		
Trade debtors	2,924	4,064
Amounts recoverable on contracts	1,179	99
Prepayments and accrued income	531	451
Corporation tax receivable	-	78
	<u>4,634</u>	<u>4,692</u>

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

	2017 £'000	2016 £'000
Payments received on account	715	1,361
Trade creditors	2,567	2,360
Amounts owed to fellow group undertakings	51	51
Other taxation and social security	766	867
Other creditors	130	100
Defined contribution pension scheme accrual	78	72
Accruals	459	738
Deferred income	783	479
	<u>5,549</u>	<u>6,028</u>

#### 14. PROVISIONS FOR LIABILITIES

	Property provisions £'000
At 1 January 2017	20
Charge to the profit and loss account in the year	<u>10</u>
At 31 December 2017	<u>30</u>

Property provisions as at 1 January 2016 related to dilapidation assessments by third party experts. A new lease was agreed on the occupied property during 2015 and the dilapidation provision will be built up over the new lease term and expected to be utilised in the next 90 months. The provision as at 31 December 2017 related to an assessment made by the directors.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**Year ended 31 December 2017**

**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 £393,000 (2016: £375,000).

As at 31 December 2017, contributions of £78,000 (2016: £72,000) had not yet been paid over to the scheme.

**Defined benefit scheme member**

***Defined benefit schemes***

The company is a participating member of the Cleco Combined Pension Scheme. The scheme's 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 2015. The scheme is a funded scheme. Since the valuation the company contributed £38,000 per month to the scheme increasing to £39,000 per month from April 2016 and increasing by a further £1,000 per month every April from 2017 based upon the 2015 actuarial valuation.

The most recent actuarial valuations of scheme assets and the present value of the defined benefit obligation were carried out at 5 April 2015 by Mr Hugh Creasy, Fellow of the Institute of Actuaries. The present value of the defined benefit obligation, the related current service cost and past service cost were measured using the projected unit method.

	<b>Valuation at</b>	
	<b>2017</b>	<b>2016</b>
Key assumptions used:		
Discount rate	2.4%	2.7%
Future pension increases	3.0%	3.2%
Inflation - RPI	3.2%	3.4%
Inflation - CPI	2.2%	2.4%

**Mortality assumptions:**

Investigations have been carried out within the past three years into the mortality experience of the Group's defined benefit schemes. These investigations concluded that the current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement at age 65 are:

	<b>Valuation at</b>	
	<b>2017</b>	<b>2016</b>
	<b>years</b>	<b>years</b>
Retiring today:		
Males	86.9	86.9
Females	88.8	88.9
Retiring in 20 years:		
Males	88.0	88.2
Females	90.0	90.4

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**Year ended 31 December 2017**

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

Amounts recognised in the profit and loss account in respect of these defined benefit schemes are as follows:

	<b>2017</b> <b>£'000</b>	<b>2016</b> <b>£'000</b>
Net interest cost	(8)	(5)
Charge recognised in profit and loss	(8)	(5)
Recognised in other comprehensive income	(27)	(608)
Total cost relating to defined benefit scheme	<u>(35)</u>	<u>(613)</u>

The amount included in the balance sheet arising from the Group's obligations in respect of its defined benefit retirement benefit schemes is as follows:

	<b>2017</b> <b>£'000</b>	<b>2016</b> <b>£'000</b>
Present value of defined benefit obligations	(36,325)	(35,709)
Fair value of scheme assets	36,352	35,294
Net asset/(liability) recognised in the balance sheet	<u>27</u>	<u>(415)</u>

Movement in the present value of defined benefit obligations were as follows;

	<b>2017</b> <b>£'000</b>	<b>2016</b> <b>£'000</b>
At 1 January	(35,709)	(29,234)
Interest cost	(953)	(1,060)
Actuarial gains and losses	(525)	(6,620)
Benefits paid	862	1,205
At 31 December	<u>(36,325)</u>	<u>(35,709)</u>

Movement in fair value of scheme assets were as follows;

	<b>2017</b> <b>£</b>	<b>2016</b> <b>£</b>
At 1 January	35,294	28,969
Interest income	945	1,055
Return on plan assets (excluding amount included in net interest expense)	498	6,012
Contributions from the employer	477	463
Benefits paid	(862)	(1,205)
At 31 December	<u>36,352</u>	<u>35,294</u>

# LOGISTEX LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### Year ended 31 December 2017

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

The analysis of the scheme assets at the balance sheet date was as follows:

	Fair value of assets	
	2017	2016
	£	£
Return seeking	20,037	20,090
Matching	15,980	15,087
Cash	335	117
	<u>36,352</u>	<u>35,294</u>

#### 16. CALLED UP SHARE CAPITAL

	2017	2016
	£'000	£'000
<b>Called up, allotted and fully paid</b>		
954,500 ordinary share of £0.25	<u>239</u>	<u>239</u>

The Company has two classes of ordinary shares which carry no right to fixed income.

The Company's other reserve is as follows:

The profit and loss reserve represents cumulative profits or losses, net of dividends paid and other adjustments.

#### 17. FINANCIAL COMMITMENTS

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2017		2016	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
<b>Company</b>				
- within one year	150	434	150	425
- between one and five years	<u>600</u>	<u>526</u>	<u>600</u>	<u>426</u>
	<u>750</u>	<u>960</u>	<u>750</u>	<u>851</u>

#### 18. DIVIDENDS

	2017	2016
	£'000	£'000
Dividends paid - £0.75 per ordinary share (2016: £0.70 per ordinary share)	<u>717</u>	<u>669</u>

## **LOGISTEX LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**Year ended 31 December 2017**

#### **19. RELATED PARTY TRANSACTIONS**

As at 31 December 2017, 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 include the company, are available from 2700 Kettering Parkway Kettering, Northamptonshire, NN15 6XR. Accordingly, the company has taken advantage of the exemption in FRS 102 33.1A from disclosing transactions with Logistex Europe Limited.

#### **20. ULTIMATE PARENT COMPANY**

As at 31 December 2017, the directors regarded Logistex Europe Limited, a company incorporated in United Kingdom and registered in England and Wales, as the company's immediate and ultimate parent undertaking for the year ended 31 December 2017. The controlling party is considered to be the shareholders of Logistex Europe Limited, no single party has a controlling interest.