

**REGISTRAR'S  
COPY**

**Company Registration No. 517224 (England and Wales)**

**BORCHARD LINES LIMITED AND SUBSIDIARIES**

**ANNUAL REPORT**

**FOR THE YEAR ENDED 2 APRIL 2014**

THURSDAY



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#204

COMPANIES HOUSE

**FSPG**  
**CHARTERED ACCOUNTANTS**  
**21 BEDFORD SQUARE**  
**LONDON**  
**WC1B 3HH**

# **BORCHARD LINES LIMITED AND SUBSIDIARIES**

## **DIRECTORS AND ADVISERS**

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**Directors**

R M Borchard  
L Brenden  
A R Miller  
D Borchard

**Company number**

00517224

**Registered office**

10 Chiswell Street  
London  
EC1Y 4XY

**Registered auditors**

FSPG  
21 Bedford Square  
London  
WC1B 3HH

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# BORCHARD LINES LIMITED AND SUBSIDIARIES

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# **BORCHARD LINES LIMITED AND SUBSIDIARIES**

## **STRATEGIC REPORT**

**FOR THE YEAR ENDED 2 APRIL 2014**

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The directors present their report and financial statements for the year ended 2 April 2014.

### **Review of the business**

The directors consider the results achieved and the state of affairs to be as expected.

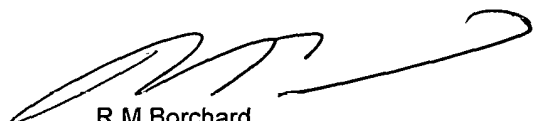
### **Financial instruments**

The company's principal financial instruments comprise bank balances, trade debtors, intercompany loans and trade creditors. The main purpose of these instruments is to raise funds and finance the company's operations. Due to the nature of the financial instruments used by the company there is no exposure to price risk. The company's approach to managing other risks applicable to certain financial instruments concerned is as follows:

- In respect of bank balances the company makes use of money market facilities where funds are available.
- Trade debtors are managed in respect of credit and cashflow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.
- Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.
- Intercompany loans are interest free and payable on demand.

The principle risk to the business is the fluctuation of the prevailing market freight rates for the route on which the company operates. This is common among freight carriers in the mediterranean and is not specific to the company. The company minimises this risk by maintaining significant reserves to enable it to continue trading through periods of low freight rates. A further risk to the business comes from exchange rate movements. Major transactions are hedged by the company therefore offsetting any unforeseen currency fluctuation.

On behalf of the board



R M Borchard

**Director**

23 January 2015

# **BORCHARD LINES LIMITED AND SUBSIDIARIES**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 2 APRIL 2014**

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The directors present their report and financial statements for the year ended 2 April 2014.

#### **Principal activities and review of the business**

The principal activity of the group continued to be that of shipping freight and transportation.

#### **Results and dividends**

The consolidated profit and loss account for the year is set out on page 6.

The directors do not recommend the payment of a dividend for the year on the ordinary shares.

#### **Future developments**

The directors expect the business to continue on the same basis, although the profitability level will vary.

#### **Directors**

The following directors have held office since 3 April 2013:

R M Borchard

L Brenden

A R Miller

D Borchard

#### **Creditor payment policy**

The company's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts;
- and
- pay in accordance with the company's contractual and other legal obligations.

On average, trade creditors at the year end represented 29 (2013- 27) days' purchases.

#### **Auditors**

The auditors, FSPG, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

# **BORCHARD LINES LIMITED AND SUBSIDIARIES**

## **DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 2 APRIL 2014**

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### **Statement of directors' responsibilities**

The directors are responsible for preparing the Directors' 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 group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

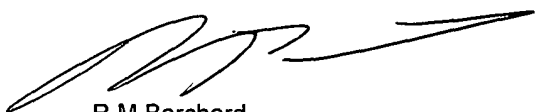
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Statement of disclosure to auditors**

So far as the directors are aware, there is no relevant audit information of which the group's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the group's auditors are aware of that information.

On behalf of the board



R M Borchard

**Director**

23 January 2015

# **BORCHARD LINES LIMITED AND SUBSIDIARIES**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF BORCHARD LINES LIMITED AND SUBSIDIARIES**

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We have audited the group and parent company financial statements (the "financial statements") of Borchard Lines Limited and Subsidiaries for the year ended 2 April 2014 set out on pages 6 to 23. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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 auditors**

As explained more fully in the Directors' Responsibilities Statement set out on pages 2 - 3, 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 group's and parent company's affairs as at 2 April 2014 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# **BORCHARD LINES LIMITED AND SUBSIDIARIES**

## **INDEPENDENT AUDITORS' REPORT (CONTINUED)**

### **TO THE MEMBERS OF BORCHARD LINES LIMITED AND SUBSIDIARIES**

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**David Tropp (Senior Statutory Auditor)**  
**for and on behalf of FSPG**

23 January 2015

**Chartered Accountants**  
**Statutory Auditor**

21 Bedford Square  
London  
WC1B 3HH



# BORCHARD LINES LIMITED AND SUBSIDIARIES

## CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 2 APRIL 2014

	Notes	2014 £	2013 £
<b>Turnover</b>	<b>2</b>	119,239,452	123,307,227
Cost of sales		(118,564,184)	(122,404,491)
<b>Gross profit</b>		675,268	902,736
Administrative expenses		(5,628,107)	(5,344,576)
Other operating income		812,317	812,317
<b>Operating loss</b>	<b>3</b>	(4,140,522)	(3,629,523)
Investment income	<b>4</b>	430	430
Other interest receivable and similar income		2,595	13,002
Amounts written off investments	<b>5</b>	-	(141,230)
Interest payable and similar charges	<b>6</b>	(16,128)	(28,750)
<b>Loss on ordinary activities before taxation</b>	<b>3</b>	(4,153,625)	(3,786,071)
Tax on loss on ordinary activities	<b>7</b>	-	420
<b>Loss on ordinary activities after taxation</b>		(4,153,625)	(3,785,651)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

# BORCHARD LINES LIMITED AND SUBSIDIARIES

## BALANCE SHEETS

AS AT 2 APRIL 2014

	Notes	Group 2014 £	2013 £	Company 2014 £	2013 £
<b>Fixed assets</b>					
Tangible assets	9	20,214,371	17,953,728	20,213,352	17,953,728
Investments	10	1,528,423	1,528,423	3,338,919	3,338,919
		<u>21,742,794</u>	<u>19,482,151</u>	<u>23,552,271</u>	<u>21,292,647</u>
<b>Current assets</b>					
Debtors	11	10,300,702	10,358,570	9,517,907	7,950,801
Cash at bank and in hand		<u>1,738,800</u>	<u>1,967,352</u>	<u>1,702,723</u>	<u>1,928,384</u>
		12,039,502	12,325,922	11,220,630	9,879,185
<b>Creditors: amounts falling due within one year</b>	12	<u>(11,504,636)</u>	<u>(10,384,560)</u>	<u>(8,375,073)</u>	<u>(8,080,855)</u>
<b>Net current assets</b>		<u>534,866</u>	<u>1,941,362</u>	<u>2,845,557</u>	<u>1,798,330</u>
<b>Total assets less current liabilities</b>		22,277,660	21,423,513	26,397,828	23,090,977
<b>Creditors: amounts falling due after more than one year</b>	13	<u>(6,340,575)</u>	<u>(6,532,803)</u>	<u>(6,340,575)</u>	<u>(6,532,802)</u>
		<u>15,937,085</u>	<u>14,890,710</u>	<u>20,057,253</u>	<u>16,558,175</u>
<b>Capital and reserves</b>					
Called up share capital	15	13,700,000	8,500,000	13,700,000	8,500,000
Revaluation reserve	16	3,219,951	4,125,724	3,219,951	4,125,724
Profit and loss account	16	<u>(982,866)</u>	<u>2,264,986</u>	<u>3,137,302</u>	<u>3,932,451</u>
<b>Shareholders' funds</b>	17	<u>15,937,085</u>	<u>14,890,710</u>	<u>20,057,253</u>	<u>16,558,175</u>

Approved by the Board and authorised for issue on 23 January 2015

R M Borchard  
Director

L Brenden  
Director



Company Registration No. 517224

# BORCHARD LINES LIMITED AND SUBSIDIARIES

## CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 2 APRIL 2014

	£	2014 £	£	2013 £
<b>Net cash outflow from operating activities</b>		(2,693,170)		(511,108)
<b>Returns on investments and servicing of finance</b>				
Interest received	2,595		13,002	
Interest paid	(16,128)		(28,750)	
Dividends received	430		430	
<b>Net cash outflow for returns on investments and servicing of finance</b>		(13,103)		(15,318)
<b>Capital expenditure and financial investment</b>				
Payments to acquire tangible assets	(3,122)		(191,908)	
Receipts from sales of tangible assets	2,278,368		564,975	
Receipts from sales of investments	-		48,829	
<b>Net cash inflow for capital expenditure</b>		2,275,246		421,896
<b>Net cash outflow before management of liquid resources and financing</b>		(431,027)		(104,530)
<b>Financing</b>				
Issue of preference share capital	5,200,000		4,000,000	
Other new long term loans	3,163,681		1,994,147	
Repayment of other long term loans	(5,200,000)		(3,999,999)	
Capital element of hire purchase contracts	(2,961,206)		(2,148,441)	
<b>Net cash inflow/(outflow) from financing</b>		202,475		(154,293)
<b>Decrease in cash in the year</b>		(228,552)		(258,823)

# BORCHARD LINES LIMITED AND SUBSIDIARIES

## NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 2 APRIL 2014

1	Reconciliation of operating loss to net cash outflow from operating activities	2014		2013	
		£		£	
	Operating loss	(4,140,522)		(3,629,523)	
	Depreciation of tangible assets	836,932		628,257	
	Loss on disposal of tangible assets	317,177		473,148	
	Decrease in debtors	57,868		2,450,523	
	Increase/(decrease) in creditors within one year	235,375		(433,513)	
	<b>Net cash outflow from operating activities</b>	<b>(2,693,170)</b>		<b>(511,108)</b>	
2	Analysis of net debt	3 April 2013	Cash flow	Other non-cash changes	2 April 2014
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	1,967,352	(228,552)	-	1,738,800
	Finance leases	(5,056,744)	(2,728,792)	-	(7,785,536)
	Debts falling due after one year	(2,036,319)	2,036,319	-	-
	<b>Net debt</b>	<b>(5,125,711)</b>	<b>(921,025)</b>	<b>-</b>	<b>(6,046,736)</b>
3	Reconciliation of net cash flow to movement in net debt	2014		2013	
		£		£	
	Decrease in cash in the year	(228,552)		(258,823)	
	Cash (inflow)/outflow from (increase)/decrease in debt	(692,473)		4,010,609	
	<b>Movement in net debt in the year</b>	<b>(921,025)</b>		<b>3,751,786</b>	
	Opening net debt	(5,125,711)		(8,877,497)	
	<b>Closing net debt</b>	<b>(6,046,736)</b>		<b>(5,125,711)</b>	

# BORCHARD LINES LIMITED AND SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 2 APRIL 2014**

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### **1 Accounting policies**

#### **1.1 Accounting convention**

The financial statements are prepared under the historical cost convention modified to include the revaluation of containers.

#### **1.2 Compliance with accounting standards**

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

#### **1.3 Basis of consolidation**

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 2 April 2014. The results of subsidiaries sold or acquired are included in the profit and loss account up to, or from the date control passes. Intra-group sales and profits are eliminated fully on consolidation.

The financial statements for ABAC Logistics Limited, a wholly owned subsidiary, is not included in the consolidated financial statements on the basis that they are not material for the purpose of giving a true and fair view, under section 405 of the Companies Act 2006.

#### **1.4 Turnover**

Turnover represents amounts receivable for goods and services net of VAT and trade discounts. Turnover and associated costs are recognised on a time apportionment basis over the length of the voyage.

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

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Short leasehold improvements	over the lease term
Containers	10% or 20% per annum on cost
Fixtures, fittings & computers	15-25% per annum on net book value or 33% per annum on cost
Motor vehicles	20% or 25% per annum on net book value

#### **1.6 Leasing and hire purchase commitments**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

#### **1.7 Investments**

Fixed asset investments are stated at cost less provision for diminution in value.

# BORCHARD LINES LIMITED AND SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 2 APRIL 2014

### 1 Accounting policies

(continued)

#### 1.8 Pensions

The Group operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

#### 1.9 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes.

#### 1.10 Foreign currency translation

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

### 2 Segmental analysis by class of business

The analysis by class of business of the company's turnover, loss before taxation and net assets is set out as below:

#### Turnover

	2014	2013
	£	£
Class of business		
Shipping	119,239,452	123,307,227
	<u>119,239,452</u>	<u>123,307,227</u>

#### Loss before taxation

	2014	2013
	£	£
Class of business		
Shipping	4,153,625	3,785,651
	<u>4,153,625</u>	<u>3,785,651</u>

#### Net assets

	2014	2013
	£	£
Class of business		
Shipping	15,937,085	14,890,710
	<u>15,937,085</u>	<u>14,890,710</u>

# BORCHARD LINES LIMITED AND SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 2 APRIL 2014

<b>3</b>	<b>Operating loss</b>	<b>2014</b>	<b>2013</b>
		<b>£</b>	<b>£</b>
	Operating loss is stated after charging:		
	Depreciation of tangible assets	836,932	628,257
	Loss on disposal of tangible assets	317,177	473,148
	Loss on foreign exchange transactions	459,908	-
	Operating lease rentals		
	- Plant and machinery	27,062,569	28,986,714
	- Other assets	624,110	449,691
	Fees payable to the group's auditor for the audit of the group's annual accounts (company £26,000; 2013: £26,000)	44,025	44,025
	Accountancy and taxation	3,475	3,475
	and after crediting:		
	Profit on foreign exchange transactions	-	(54,355)
		<u>          </u>	<u>          </u>
<b>4</b>	<b>Investment income</b>	<b>2014</b>	<b>2013</b>
		<b>£</b>	<b>£</b>
	Income from fixed asset investments	430	430
		<u>          </u>	<u>          </u>
<b>5</b>	<b>Amounts written off investments</b>	<b>2014</b>	<b>2013</b>
		<b>£</b>	<b>£</b>
	Amounts written off investments:		
	- fixed assets	-	48,829
	- current assets	-	92,401
		<u>          </u>	<u>          </u>
		-	141,230
		<u>          </u>	<u>          </u>
<b>6</b>	<b>Interest payable</b>	<b>2014</b>	<b>2013</b>
		<b>£</b>	<b>£</b>
	Hire purchase interest	16,128	28,750
		<u>          </u>	<u>          </u>

# BORCHARD LINES LIMITED AND SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 2 APRIL 2014

7	Taxation	2014 £	2013 £
	<b>Domestic current year tax</b>		
	Adjustment for prior years	-	(420)
	<b>Total current tax</b>	-	(420)
	<b>Factors affecting the tax charge for the year</b>		
	Loss on ordinary activities before taxation	(4,153,625)	(3,786,071)
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 23.00% (2013 - 24.00%)	(955,334)	(908,657)
	Effects of:		
	Depreciation add back	192,470	150,782
	Other tax adjustments	762,864	757,455
		955,334	908,237
	<b>Current tax charge for the year</b>	-	(420)

## 8 Loss for the financial year

As permitted by section 408 Companies Act 2006, the holding company's profit and loss account has not been included in these financial statements. The loss for the financial year is made up as follows:

	2014 £	2013 £
Holding company's loss for the financial year	(1,700,922)	(4,204,036)
Share of net (loss)/profit retained by associated undertakings	(2,452,703)	418,386



# BORCHARD LINES LIMITED AND SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 2 APRIL 2014

### 9 Tangible fixed assets

#### Group

	Short leasehold improvements	Containers	Fixtures, fittings & computers	Motor vehicles	Total
	£	£	£	£	£
<b>Cost or valuation</b>					
At 3 April 2013	175,321	17,908,084	8,307,828	1,342,198	27,733,431
Additions	-	5,686,195	1,125	5,800	5,693,120
Disposals	-	(2,596,182)	-	-	(2,596,182)
At 2 April 2014	175,321	20,998,097	8,308,953	1,347,998	30,830,369
<b>Depreciation</b>					
At 3 April 2013	161,826	695,199	8,229,832	692,846	9,779,703
On disposals	-	(637)	-	-	(637)
Charge for the year	5,400	635,994	29,208	166,330	836,932
At 2 April 2014	167,226	1,330,556	8,259,040	859,176	10,615,998
<b>Net book value</b>					
At 2 April 2014	8,095	19,667,541	49,913	488,822	20,214,371
At 2 April 2013	13,495	17,212,885	77,996	649,352	17,953,728

Included above are assets held under finance leases or hire purchase contracts as follows:

	Containers	Fixtures, fittings & computers	Motor vehicles	Total
	£	£	£	£
<b>Net book values</b>				
At 2 April 2014	4,570,193	-	94,181	4,664,374
At 2 April 2013	2,684,924	-	250,509	2,935,433
<b>Depreciation charge for the year</b>				
2 April 2014	487,759	-	36,611	524,370
2 April 2013	203,787	-	85,401	289,188

# BORCHARD LINES LIMITED AND SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 2 APRIL 2014

### 9 Tangible fixed assets (continued)

#### Company

	Short leasehold improvements	Containers	Fixtures, fittings & computers	Motor vehicles	Total
	£	£	£	£	£
<b>Cost or valuation</b>					
At 3 April 2013	175,321	17,908,084	991,019	1,342,198	20,416,622
Additions	-	5,686,195	-	5,800	5,691,995
Disposals	-	(2,596,182)	-	-	(2,596,182)
At 2 April 2014	175,321	20,998,097	991,019	1,347,998	23,512,435
<b>Depreciation</b>					
At 3 April 2013	161,826	695,199	913,023	692,846	2,462,894
On disposals	-	(637)	-	-	(637)
Charge for the year	5,400	635,994	29,102	166,330	836,826
At 2 April 2014	167,226	1,330,556	942,125	859,176	3,299,083
<b>Net book value</b>					
At 2 April 2014	8,095	19,667,541	48,894	488,822	20,213,352
At 2 April 2013	13,495	17,212,885	77,996	649,352	17,953,728

Included above are assets held under finance leases or hire purchase contracts as follows:

	Containers	Fixtures, fittings & computers	Motor vehicles	Total
	£	£	£	£
<b>Net book values</b>				
At 2 April 2014	4,570,193	-	94,181	4,664,374
At 2 April 2013	2,684,924	-	250,509	2,935,433
<b>Depreciation charge for the year</b>				
2 April 2014	487,759	-	36,611	524,370
2 April 2013	203,787	-	85,401	289,188

# BORCHARD LINES LIMITED AND SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 2 APRIL 2014

### 10 Fixed asset investments Group

	Listed investments £	Shares in group undertakings £	Total £
<b>Cost or valuation</b>			
At 3 April 2013 & at 2 April 2014	159	1,528,264	1,528,423
<b>Net book value</b>			
At 2 April 2014	159	1,528,264	1,528,423
At 2 April 2013	159	1,528,264	1,528,423

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

### 10 Fixed asset investments Company

	Listed investments £	Shares in group undertakings £	Total £
<b>Cost or valuation</b>			
At 3 April 2013 & at 2 April 2014	159	3,338,760	3,338,919
At 2 April 2013	159	3,338,760	3,338,919

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

### Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held Class	%
<b>Subsidiary undertakings</b>			
Gracechurch Container Line Limited	England & Wales	Ordinary	100
Borchard Container Transport Limited	England & Wales	Ordinary	100
ABAC Logistics Limited	England & Wales	Ordinary	100

# BORCHARD LINES LIMITED AND SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 2 APRIL 2014

### 10 Fixed asset investments

(continued)

The principal activity of these undertakings for the last relevant financial year was as follows:

Subsidiary undertakings	Principal activity
Gracechurch Container Line Limited	Shipping freight
Borchard Container Transport Limited	Transportation
ABAC Logistics Limited	Transportation and cleaning

As at 30 September 2013, ABAC Logistics Limited had capital and reserves of £220,140 and made a loss of £25,335 for the year ended 30 September 2013, being the last available financial statements.

ABAC Logistics Limited has not been included in the consolidation.

### 11 Debtors

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Trade debtors	9,324,675	9,972,942	4,354,134	6,185,946
Amounts owed by group undertakings	407,099	60,669	4,606,299	1,450,084
Other debtors	298,819	146,400	297,014	145,500
Prepayments and accrued income	270,109	178,559	260,460	169,271
	<u>10,300,702</u>	<u>10,358,570</u>	<u>9,517,907</u>	<u>7,950,801</u>

Amounts falling due after more than one year and included in the debtors above are:

	2014	2013	2014	2013
	£	£	£	£
Amounts owed by group undertakings	<u>4,199,198</u>	<u>1,389,415</u>	<u>4,199,198</u>	<u>1,389,415</u>

# BORCHARD LINES LIMITED AND SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 2 APRIL 2014

### 12 Creditors : amounts falling due within one year

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Net obligations under finance lease and hire purchase contracts	1,444,961	560,260	1,444,961	560,260
Trade creditors	9,409,982	9,139,647	6,689,879	7,333,667
Amounts owed to group undertakings	-	-	23,558	16,199
Taxes and social security costs	464,511	489,872	64,430	64,890
Other creditors	12,834	57,132	1,059	45,447
Accruals and deferred income	172,348	137,649	151,186	60,392
	<u>11,504,636</u>	<u>10,384,560</u>	<u>8,375,073</u>	<u>8,080,855</u>

# BORCHARD LINES LIMITED AND SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 2 APRIL 2014

### 13 Creditors : amounts falling due after more than one year

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Other loans	-	2,036,319	-	2,036,318
Net obligations under finance leases and hire purchase agreements	6,340,575	4,496,484	6,340,575	4,496,484
	<u>6,340,575</u>	<u>6,532,803</u>	<u>6,340,575</u>	<u>6,532,802</u>
<b>Analysis of loans</b>				
Wholly repayable within five years	-	2,036,319	-	2,036,318
	<u>-</u>	<u>2,036,319</u>	<u>-</u>	<u>2,036,318</u>
<b>Loan maturity analysis</b>				
In more than two years but not more than five years	-	2,036,318	-	2,036,318
	<u>-</u>	<u>2,036,318</u>	<u>-</u>	<u>2,036,318</u>
<b>Net obligations under finance leases and hire purchase contracts</b>				
Repayable within one year	1,786,434	690,505	1,786,434	690,505
Repayable between one and five years	7,844,000	5,560,937	7,844,000	5,560,937
	<u>9,630,434</u>	<u>6,251,442</u>	<u>9,630,434</u>	<u>6,251,442</u>
Finance charges and interest allocated to future accounting periods	(1,844,898)	(1,194,698)	(1,844,898)	(1,194,698)
	<u>7,785,536</u>	<u>5,056,744</u>	<u>7,785,536</u>	<u>5,056,744</u>
Included in liabilities falling due within one year	(1,444,961)	(560,260)	(1,444,961)	(560,260)
	<u>6,340,575</u>	<u>4,496,484</u>	<u>6,340,575</u>	<u>4,496,484</u>

### 14 Pension and other post-retirement benefit commitments

#### Defined contribution

	2014	2013
	£	£
Contributions payable by the group for the year	<u>117,631</u>	<u>105,989</u>

# BORCHARD LINES LIMITED AND SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 2 APRIL 2014

15 Share capital	2014 £	2013 £
<b>Allotted, called up and fully paid</b>		
500,000 Ordinary shares of £1 each	500,000	500,000
13,200,000 Redeemable preference shares (nil coupon rate) of £1 each	13,200,000	8,000,000
	<u>13,700,000</u>	<u>8,500,000</u>

During the year 5,200,000 Redeemable preference shares (nil coupon rate) of £1 each were issued at par.

The redeemable preference shares rank in priority to the other classes of shares in a winding up or repayment of capital, but have no voting rights and have no right to further participation in the profit or assets of the company. The redeemable preference shares are redeemable at the option of the company.

## 16 Statement of movements on reserves

### Group

	Revaluation reserve £	Profit and loss account £
Balance at 3 April 2013	4,125,724	2,264,986
Loss for the year	-	(4,153,625)
Transfer from revaluation reserve to profit and loss account	(905,773)	905,773
Balance at 2 April 2014	<u>3,219,951</u>	<u>(982,866)</u>

### Company

	Revaluation reserve £	Profit and loss account £
Balance at 3 April 2013	4,125,724	3,932,451
Loss for the year	-	(1,700,922)
Transfer from revaluation reserve to profit and loss account	(905,773)	905,773
Balance at 2 April 2014	<u>3,219,951</u>	<u>3,137,302</u>

# BORCHARD LINES LIMITED AND SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 2 APRIL 2014

17 Reconciliation of movements in shareholders' funds	2014	2013
Group	£	£
Loss for the financial year	(4,153,625)	(3,785,651)
Proceeds from issue of shares	5,200,000	4,000,000
Net addition to shareholders' funds	1,046,375	214,349
Opening shareholders' funds	14,890,710	14,676,361
Closing shareholders' funds	15,937,085	14,890,710

Company	2014	2013
	£	£
Loss for the financial year	(1,700,922)	(4,204,036)
Proceeds from issue of shares	5,200,000	4,000,000
Net addition to/(depletion in) shareholders' funds	3,499,078	(204,036)
Opening shareholders' funds	16,558,175	16,762,211
Closing shareholders' funds	20,057,253	16,558,175

## 18 Financial commitments

At 2 April 2014 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2014	2013
	£	£
Expiry date:		
Between two and five years	309,320	309,320

At 2 April 2014 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2014	2013
	£	£
Expiry date:		
Between two and five years	309,320	309,320



# BORCHARD LINES LIMITED AND SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 2 APRIL 2014

19 Directors' remuneration	2014 £	2013 £
Remuneration for qualifying services	<u>318,179</u>	<u>303,847</u>

Remuneration disclosed above include the following amounts paid to the highest paid director:

Remuneration for qualifying services	<u>111,409</u>	<u>105,477</u>
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## 20 Employees

### Number of employees

The average monthly number of employees (including directors) during the year was:

	2014 Number	2013 Number
Office and Management	67	68
Logistics and Distribution	28	26
	<u>95</u>	<u>94</u>

### Employment costs

	2014 £	2013 £
Wages and salaries	3,946,978	3,862,976
Other pension costs	<u>117,631</u>	<u>105,989</u>
	<u>4,064,609</u>	<u>3,968,965</u>

## 21 Control

The ultimate holding company is Borlines Limited, a company incorporated in Bermuda.

# **BORCHARD LINES LIMITED AND SUBSIDIARIES**

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

**FOR THE YEAR ENDED 2 APRIL 2014**

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### **22 Related party relationships and transactions**

#### **Group**

During the year Borchard Lines Limited incurred freight and demurrage commissions of £427,833 (2013: £520,025) payable to Lucy Borchard Shipping Limited, acting as agents, a company under common control. At 2 April 2014 Borchard Lines Limited owed £1,501,360 (2013: £1,558,620) to Lucy Borchard Shipping Limited.

During the year, Borchard Lines Limited incurred container hire charges of £49,293 (2013: £156,750) payable to Fairplay Towage and Shipping Company Limited, a company with two directors in common. The company also charged Fairplay Towage and Shipping Company Limited group companies £812,317 (2013: £812,317) for property management charges and £586,000 (2013: £586,000) for management charges.

During the year the company was charged rent of £293,854 (2013: £183,338) by Fairplay Estates Limited, a company with two directors in common.

#### **Company**

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During the year the company was charged rent of £293,854 (2013: £183,338) by Fairplay Estates Limited, a company with two directors in common.