Company Registration No. 00649369 (England and Wales)

CONSTANTINE GROUP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

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CONSTANTINE GROUP LIMITED

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CONSTANTINE GROUP LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present the strategic report for the year ended 31 December 2018.

Principal activities
The principal activities of the group during the year were specialist logistics services, renewable energy and property investment.

Business review and results
The results for the year show total comprehensive income (net of tax) of £5.6m (2017 - £25.4m). This was made up of profit before tax of £2.7m (2017 - £20.1m), a tax cost of £1.1m (2017 - tax recovery of £0.1m), plus asset revaluations and foreign exchange differences of £4.0m. (2017 - £5.1m). This result represents a return on equity of 11.2% (2017 - 57.3%).

The group continues to show a good trading performance across all of its subsidiaries and has a strong balance sheet. The group has net funds (cash less debt) of £11.3m (2017 - £22.0m) and cash reserves of £14.6m (2017 - £25.5m). The group is well placed to fund an expansion of its activities.

Key performance indicators
Business performance is measured by Key Performance Indicators ("KPIs") which include monitoring of actual results against budget by the Board, at a group level, on a quarterly basis. Examples of KPIs used are:

	2018	2017
Total comprehensive income	5.6m	25.4m
Return on equity	11.2%	57.3%
Net funds (cash less debt)	11.3m	22.0m
Cash reserves	14.6m	25.5m

The subsidiary and associate companies monitor appropriate KPIs necessary for the understanding of the development, performance and financial position of the individual businesses.

Principal risks and uncertainties
The Board sets long term strategies and goals for the group. The management of the business and execution of the group's strategy are subject to a number of risks which vary for each of the group companies.

At a group level the principal risks and uncertainties include:

- Reduced global demand for the group's logistics services;
- Changes in government policy and legislation in the renewable energy sector.

However, with its cash reserves and net funds, the group is well positioned to react effectively to new opportunities or threats as they arise.

Future developments
The group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the group is expected to have a sufficient level of financial resources available through current banking facilities and therefore the directors believe that the group is well placed to manage its business risks successfully.

On behalf of the board

Mr N K G Prescot
Director

CONSTANTINE GROUP LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their annual report and financial statements for the year ended 31 December 2018.

Directors
The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr NKG Prescot	(Chief Executive)	
Mr DL Akers-Douglas	(Commercial Director)	
Ms K Child-Villiers	(Non-Executive, Chairman)	
Mr AJV Prescot	(Non-Executive)	(appointed 1 March 2018)
Ms RMA Harrison	(Non-Executive)	(appointed 1 March 2018)

Dividends
Total dividends paid in the year amounted to £1,705,948 (2017: £2,179,514), equivalent to £4.20 per share.

Directors' insurance
Certain directors benefitted from Directors and Officers Liability insurance in place during the financial year.

Political donations
Neither the Company nor any of its subsidiaries made any political donations or incurred any political expenditure during the year.

Disabled persons
Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the group continues and that the appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee involvement
The group's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

There is no employee share scheme at present, but the directors are considering the introduction of such a scheme as a means of further encouraging the involvement of employees in the company's performance.

Auditor
The auditor, Moore (South) LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually 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 auditor of the company is aware of that information.

Other information
An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic Report on page 1.

On behalf of the board

Mr N K G Prescot
Director

Date: 20/9/19

CONSTANTINE GROUP LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2018

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CONSTANTINE GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CONSTANTINE GROUP LIMITED

Opinion

We have audited the financial statements of Constantine Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2018 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2018 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the 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 group's or the parent 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.

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 this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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.

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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

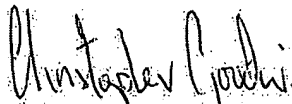
Auditor's responsibilities for the audit of the financial statements

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: 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.



Christopher Goodwin (Senior Statutory Auditor)
for and on behalf of Moore (South) LLP

24 September 2019

Chartered Accountants
Statutory Auditor

Priory House
Pilgrims Court
Sydenham Road
Guildford
Surrey
GU1 3RX

CONSTANTINE GROUP LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	Total 31 December 2018 £000	Continuing operations 2017 £000	Discontinued operations 2017 £000	Total 31 December 2017 £000
Turnover	3	87,555	77,611	12,035	89,646
Cost of sales		(61,776)	(56,049)	(10,567)	(66,616)
Gross profit		25,779	21,562	1,468	23,030
Administrative expenses		(24,466)	(19,237)	(4,952)	(24,189)
Other operating income		904	483	-	483
Operating profit/(loss)	4	2,217	2,808	(3,484)	(676)
Share of results of associates and joint ventures		275	1,024	-	1,024
Interest receivable and similar income	8	357	437	-	437
Interest payable and similar expenses	9	(167)	(246)	-	(246)
Amounts written off investments	10	72	-	-	-
Profit/(loss) on disposal of operations					
- Disposal of interest in group undertaking		-	-	19,567	19,567
Profit before taxation		2,754	4,023	16,083	20,106
Tax on profit	11	(1,100)	113	-	113
Profit for the financial year		1,654	4,136	16,083	20,219
Other comprehensive income					
Revaluation of tangible fixed assets		4,625			6,559
Currency translation differences		15			(373)
Deferred tax relating to other comprehensive income		(664)			(1,014)
Total comprehensive income for the year		5,630			25,391

Profit for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.

All operations in 2018 are continuing operations.

CONSTANTINE GROUP LIMITED

GROUP BALANCE SHEET

AS AT 31 DECEMBER 2018

	Notes	2018 £000	2018 £000	2017 £000	2017 £000
Fixed assets					
Goodwill	13		4,376		3,264
Other intangible assets	13		917		1,260
Total intangible assets			5,293		4,524
Tangible assets	14		35,098		23,037
Investment properties	15		6,121		5,220
Investments	16		7,886		3,860
			54,398		36,641
Current assets					
Stocks	21	126		38	
Debtors	22	13,969		15,269	
Cash at bank and in hand		14,622		25,459	
		28,717		40,766	
Creditors: amounts falling due within one year	23	(25,080)		(24,382)	
Net current assets			3,637		16,384
Total assets less current liabilities			58,035		53,025
Creditors: amounts falling due after more than one year	24		(2,263)		(2,376)
Provisions for liabilities	27		(1,690)		(491)
Net assets			54,082		50,158
Capital and reserves					
Called up share capital	29		406		406
Share premium account			2,420		2,420
Capital redemption reserve			3,318		3,318
Profit and loss reserves			47,938		44,014
Total equity			54,082		50,158

The financial statements were approved by the board of directors and authorised for issue on 20/9/19 and are signed on its behalf by:

Mr N K G Prescot
Director

Mr D L Akers-Douglas
Director

CONSTANTINE GROUP LIMITED

COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2018

	Notes	2018 £000	2018 £000	2017 £000	2017 £000
Fixed assets					
Tangible assets	**14**		49		42
Investments	**16**		31,219		24,271
			31,268		24,313
Current assets					
Debtors	**22**	2,328		2,785	
Cash at bank and in hand		7,166		16,366	
		9,494		19,151	
Creditors: amounts falling due within one year	**23**	(5,673)		(7,888)	
Net current assets			3,821		11,263
Total assets less current liabilities			35,089		35,576
Capital and reserves					
Called up share capital	**29**		406		406
Share premium account			2,420		2,420
Capital redemption reserve			3,318		3,318
Profit and loss reserves			28,945		29,432
Total equity			35,089		35,576

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £1,218,799 (2017 - £21,814,348).

The financial statements were approved by the board of directors and authorised for issue on 20/9/19 and are signed on its behalf by:

Mr N K G Prescot
Director

Mr D L Akers-Douglas
Director

Company Registration No. 00649369

CONSTANTINE GROUP LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	Share capital £000	Share premium account £000	Capital redemption reserve £000	Other reserves £000	Profit and loss reserves £000	Total £000
Balance at 1 January 2017		534	1,873	3,318	227	38,323	44,275
Year ended 31 December 2017:							
Profit for the year		-	-	-	-	20,219	20,219
Other comprehensive income:							
Revaluation of tangible fixed assets		-	-	-	-	6,559	6,559
Currency translation differences		-	-	-	-	(373)	(373)
Tax relating to other comprehensive income		-	-	-	-	(1,014)	(1,014)
Total comprehensive income for the year		-	-	-	-	25,391	25,391
Issue of share capital	29	16	547	-	-	-	563
Dividends	12	-	-	-	-	(2,179)	(2,179)
Redemption of shares	29	(144)	-	-	-	(17,521)	(17,665)
Other movements		-	-	-	(227)	-	(227)
Balance at 31 December 2017		406	2,420	3,318	-	44,014	50,158
Year ended 31 December 2018:							
Profit for the year		-	-	-	-	1,654	1,654
Other comprehensive income:							
Revaluation of tangible fixed assets		-	-	-	-	4,625	4,625
Currency translation differences		-	-	-	-	15	15
Tax relating to other comprehensive income		-	-	-	-	(664)	(664)
Total comprehensive income for the year		-	-	-	-	5,630	5,630
Dividends	12	-	-	-	-	(1,706)	(1,706)
Balance at 31 December 2018		406	2,420	3,318	-	47,938	54,082

CONSTANTINE GROUP LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	Share capital £000	Share premium account £000	Capital redemption reserve £000	Profit and loss reserves £000	Total £000
Balance at 1 January 2017		534	1,873	3,318	27,317	33,042
Year ended 31 December 2017:						
Profit and total comprehensive income for the year		-	-	-	21,815	21,815
Issue of share capital	**29**	16	547	-	-	563
Dividends	**12**	-	-	-	(2,179)	(2,179)
Redemption of shares	**29**	(144)	-	-	(17,521)	(17,665)
Balance at 31 December 2017		406	2,420	3,318	29,432	35,576
Year ended 31 December 2018:						
Profit and total comprehensive income for the year		-	-	-	1,219	1,219
Dividends	**12**	-	-	-	(1,706)	(1,706)
Balance at 31 December 2018		406	2,420	3,318	28,945	35,089

CONSTANTINE GROUP LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £000	2018 £000	2017 £000	2017 £000
Cash flows from operating activities					
Cash generated from operations	34		2,272		5,464
Interest paid			112		-
Income taxes paid			(447)		(1,178)
Net cash inflow from operating activities			1,937		4,286
Investing activities					
Purchase of business		(1,010)		-	
Purchase of intangible assets		(121)		(1,290)	
Purchase of tangible fixed assets		(8,294)		(870)	
Proceeds on disposal of tangible fixed assets		210		80	
Purchase of investment property		(574)		(316)	
Proceeds on disposal of investment property		363		3,300	
Proceeds on disposal of subsidiaries		-		27,263	
Movement on loans to associates		(2,049)		4,586	
Proceeds on disposal of fixed asset investments		-		10	
Interest received		47		207	
Dividends received		576		2,734	
Net cash (used in)/generated from investing activities			(10,852)		35,704
Financing activities					
Proceeds from issue of shares		-		563	
Redemption of shares		-		(17,665)	
Proceeds from new finance leases		906		-	
Repayment of borrowings		(959)		(6,225)	
Interest paid		(30)		(16)	
Payment of finance leases obligations		(142)		(222)	
Dividends paid to equity shareholders		(1,706)		(2,179)	
Net cash used in financing activities			(1,931)		(25,744)
Net (decrease)/increase in cash and cash equivalents			(10,846)		14,246
Cash and cash equivalents at beginning of year			25,459		11,213
Cash and cash equivalents at end of year			14,613		25,459

CONSTANTINE GROUP LIMITED

GROUP STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £000	2018 £000	2017 £000	2017 £000
Relating to:					
Cash at bank and in hand			14,622		25,459
Bank overdrafts included in creditors payable within one year			(9)		

1 Accounting policies

Company information

Constantine Group Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is First Floor River Court, The Old Mill Office Park, Mill Lane, Godalming, Surrey, GU7 1EZ.

The group consists of Constantine Group Limited and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1,000.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The parent company is included in the consolidated financial statements, and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent company financial statements have been applied:

- Section 4 'Statement of Financial Position': Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

1.2 Basis of consolidation

The cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. In the parent company financial statements investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

1 Accounting policies **(Continued)**

The consolidated financial statements incorporate those of Constantine Group Limited and all of its subsidiaries (ie. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 December 2018. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates. In the group financial statements, associates are accounted for using the equity method.

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other ventures under a contractual arrangement are treated as joint ventures. In the group financial statements, joint ventures are accounted for using the equity method.

1.3 Going concern

The group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the group is expected to have sufficient level of financial resources available through current banking facilities and therefore the directors believe that the group is well placed to manage its business risks successfully.

After making enquiries, the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to prepare the financial statements on a going concern basis.

1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable in the normal course of business, and is shown net of discounts, VAT and other sales related taxes.

Turnover from freight, packing, handling, transportation and storage services (specialist transport services) is recognised when the service has been performed.

Turnover from rental of properties is recognised on a straight line basis over the terms of the rental agreements.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the entity's right to receive payments is established.

1 Accounting policies (Continued)

1.5 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 20 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

Negative goodwill arising on business combinations in respect of acquisitions is included on the balance sheet immediately below any positive goodwill and released to the profit and loss account in the periods in which the non-monetary assets arising on the same acquisition are recovered. Any excess exceeding the fair value of non-monetary assets acquired shall be recognised in profit or loss in the periods expected to benefit.

1.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives.

The patents & licences held are considered to have a finite useful life and are amortised on a systematic basis over their expected lives, which range from 10-14 years.

1.7 Tangible fixed assets

Freehold and leasehold land and buildings are carried at revalued amount, being their fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. All other tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful loves of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. The estimated useful lives are as follows:

Freehold property	2% on cost
Short leasehold property	equal instalments over the lesser of the year of the lease and ten years
Plant and machinery	10% - 20% on cost
Office furniture and equipment	12% - 33% on cost
Motor vehicles	25% on written down value

1 Accounting policies **(Continued)**

Freehold land and assets in the course of construction are not depreciated.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since the last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

1.8 Investment properties

Investment properties are properties which are held either to earn rental income, for capital appreciation, or both. Investment properties are initially recognised at cost, which includes the purchase cost and any directly attributable expenditure.

Subsequent to initial recognition, investment properties whose fair value can be measured reliably, without undue cost or effort, are held at fair value. Any gains or losses arising from changes in the fair value are recognised in profit or loss in the period that they arise. No depreciation is provided in respect of investment properties applying the fair value model.

If a reliable measure is not available without undue costs or effort for an item of investment property, this item is thereafter accounted for as tangible fixed assets in accordance with Section 17 until a reliable measure of fair value becomes available.

1.9 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1 **Accounting policies** **(Continued)**

1.10 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.11 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on the weighted average principle and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stock over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.12 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1 Accounting policies **(Continued)**

1.13 Financial instruments

In accordance with FRS 102.22, financial instruments issued by the group are treated as equity only to the extent that they meet the following two conditions:

(i) they include no contractual obligations upon the group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the group; and

(ii) where the instrument will or may be settled in the entity's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the entity's own equity instruments or is a derivative that will be settled by the entity exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the entity's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

1 Accounting policies (Continued)

Classification of financial liabilities

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 group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value though profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.14 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.15 Derivatives

Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

1.16 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

1 Accounting policies **(Continued)**

Current tax

The tax currently payable is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: difference between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. For investment properties measured at fair value, deferred tax is provided at the rates and allowances applicable to the sale of the asset/property. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

1.17 Provisions

A provision is recognised in the balance sheet when the entity has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Where the parent company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company treats the guarantee contract as a contingent liability in its individual financial statements until such time as it becomes probable that the company will be required to make a payment under the guarantee.

1.18 Retirement benefits

A defined contribution retirement benefit scheme is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

1.19 Leases

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the rate implicit in the lease. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the periods in which they are incurred.

1 Accounting policies (Continued)

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight line basis over the term of the relevant lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

1.20 Foreign exchange

Transactions in currencies other than pounds sterling are translated to the group companies' functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to the group's presentational currency, Sterling, at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. Foreign exchange differences arising on translation are recognised in other comprehensive income.

2 Judgements and key sources of estimation uncertainty

In the preparation of the financial statements, it is necessary for the management of the company and the group to make estimates and certain presumptions that can affect the valuation of the assets and liabilities and the outcome of the income statement. The actual outcome may differ from these estimates and presumptions. The most significant estimates made in these financial statements relates to the valuation of investment properties (note 15) and turnover recognition (note 1.4).

All of the investment properties were valued by external independent valuers, having recent experience in the location and class of property being valued, in the year ended 31 December 2018.

Turnover is recognised when the risk and rewards have been transferred to third party customers. For deliveries deferred at the customer's request, revenues are recognised when the customer takes title to the goods provided it is probable that delivery will be made, the goods are identified and ready for delivery and usual payment terms apply.

3 Turnover and other revenue

	2018	2017
	£000	£000
Turnover analysed by class of business		
Caravan and motorhome manufacture and retail parts	-	12,035
Specialist transport services	86,618	77,149
Rents receivable	937	462
	87,555	89,646

3 Turnover and other revenue (Continued)

	2018 £000	2017 £000
Other significant revenue		
Interest income	47	437
Management charges made to associated undertakings	104	306
Profit on sale of investment properties	68	177
Revaluation of investment properties	622	-

	2018 £000	2017 £000
Turnover analysed by geographical market		
United Kingdom	27,897	35,703
Overseas	59,658	53,943
	87,555	89,646

4 *Operating profit/(loss)*

	2018 £000	2017 £000
Operating profit/(loss) for the year is stated after charging/(crediting):		
Exchange gains	(74)	(277)
Depreciation of owned tangible fixed assets	1,285	1,394
Depreciation of tangible fixed assets held under finance leases	251	(110)
Loss on disposal of tangible fixed assets	15	-
Amortisation of intangible assets	649	598
Operating lease charges	1,378	1,140

5 Auditor's remuneration

	2018 £000	2017 £000
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	15	23
Audit of the financial statements of the company's subsidiaries	53	74
	68	97
For other services		
Taxation compliance services	20	33
Other taxation services	25	3
	45	36

5 Auditor's remuneration (Continued)

Amounts paid to the company's auditor in respect of services to the company, other than the audit of the company's financial statements and taxation services, have not been disclosed.

6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group		Company	
	2018 Number	2017 Number	2018 Number	2017 Number
Management	12	11	5	4
Administration and clerical	179	151	2	2
Other labour	67	63	-	-
	258	225	7	6

Their aggregate remuneration comprised:

	Group		Company	
	2018 £000	2017 £000	2018 £000	2017 £000
Wages and salaries	13,656	15,709	2,698	5,664
Social security costs	1,183	1,342	82	77
Pension costs	304	397	7	6
	15,143	17,448	2,787	5,747

7 Directors' remuneration

	2018 £000	2017 £000
Remuneration for qualifying services	561	392
Amounts receivable under long term incentive schemes	2,019	4,620
	2,580	5,012

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2017 - 0). The emoluments of the highest paid director were £264,000 (2017: £261,000) and amounts accrued over long term incentive schemes were £807,000 (2017: £2,310,000). Company pension contributions of £nil were made to a money purchase pension scheme on his behalf.

8 Interest receivable and similar income

	2018 £000	2017 £000
Interest income		
Interest on bank deposits	46	437
Other interest income	1	-
Total interest revenue	47	437
Income from fixed asset investments		
Income from participating interests - associates	310	-
Total income	357	437

9 Interest payable and similar expenses

	2018 £000	2017 £000
Interest on bank overdrafts and loans	54	142
Interest on finance leases and hire purchase contracts	33	27
Other interest on financial liabilities	80	77
Total finance costs	167	246

10 Income from disposal of investments

	2018 £000	2017 £000
Gain on disposal of fixed asset investments	72	-

11 Taxation

	2018 £000	2017 £000
Current tax		
UK corporation tax on profits for the current period	572	330
Adjustments in respect of prior periods	-	(20)
Total UK current tax	572	310
Foreign current tax on profits for the current period	20	-
Total current tax	592	310

11 Taxation (Continued)

Deferred tax		
Origination and reversal of timing differences	508	(470)
Other adjustments	-	47
Total deferred tax	508	(423)
Total tax charge/(credit)	1,100	(113)

The actual charge/(credit) for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2018 £000	2017 £000
Profit before taxation	2,754	20,106
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 19.00%)	523	3,820
Tax effect of expenses that are not deductible in determining taxable profit	174	46
Tax effect of income not taxable in determining taxable profit	(70)	(3,969)
Gains not taxable	-	27
Permanent capital allowances in excess of depreciation	74	35
Under/(over) provided in prior years	-	(39)
Deferred tax adjustments in respect of prior years	414	-
Change in tax rate on deferred tax balances	(15)	(33)
Taxation charge/(credit)	1,100	(113)

In addition to the amount charged to the profit and loss account, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2018 £000	2017 £000
Deferred tax arising on:		
Revaluation of property	664	1,014

12 Dividends

	2018 £000	2017 £000
Dividends paid	1,706	2,179

13 Intangible fixed assets

Group	Goodwill	Software	Patents & licences	Total
	£000	£000	£000	£000
Cost				
At 1 January 2018	9,922	-	1,290	11,212
Additions	1,640	121	-	1,761
Other changes	-	-	(343)	(343)
At 31 December 2018	11,562	121	947	12,630
Amortisation and impairment				
At 1 January 2018	6,658	-	30	6,688
Amortisation charged for the year	528	-	121	649
At 31 December 2018	7,186	-	151	7,337
Carrying amount				
At 31 December 2018	4,376	121	796	5,293
At 31 December 2017	3,264	-	1,260	4,524

The company had no intangible fixed assets at 31 December 2018 or 31 December 2017.

Goodwill
Goodwill of £3,757,000 arising on the acquisition of 100% of Peters & May Limited is being amortised over 20 years.

Goodwill of £1,735,000 arising on the acquisition of Peters & May USA Inc. is being amortised over 20 years.

Goodwill of £2,518,000 arising on the acquisition of Simtex International Limited is being amortised over 20 years.

Goodwill of £1,669,000 arising on the acquisition of 100% of Complete Freight Holdings Limited and Complete Freight Limited is being amortised over 20 years.

Goodwill of £1,360,000 arising on the acquisition of 100% of Transport Partners Group (consisting of Transport Partners B.V., Transport Partners USA Inc. and Royal Marine Packing Inc.) is being amortised over 10 years.

Goodwill of £280,000 arising on the acquisition of 100% of Peters & May LLC (formerly Worldwide Yacht Shipping LLC) is being amortised over 10 years.

These businesses are long standing and well established and the directors believe the group will continue to derive financial benefit over these years.

The amortisation charge is recognised in administrative expenses.

Patents
During the year, the amortisation charge on the patents was reassessed. It was decided the more appropriate way to charge amortisation would be on a straight-line basis over the terms of each patent rather than on the basis of units sold in the period.

14 Tangible fixed assets

Group	Freehold property	Short leasehold property	Assets under construction	Office furniture and equipment	Total
	£000	£000	£000	£000	£000
Cost or valuation					
At 1 January 2018	13,328	11,525	174	6,088	31,115
Additions	-	26	7,346	1,828	9,200
Disposals	-	-	(174)	(759)	(933)
Revaluation	4,625	-	-	-	4,625
Exchange adjustments	-	1	-	4	5
At 31 December 2018	17,953	11,552	7,346	7,161	44,012
Depreciation and impairment					
At 1 January 2018	263	3,502	-	4,313	8,078
Depreciation charged in the year	20	685	-	831	1,536
Eliminated in respect of disposals	-	-	-	(708)	(708)
Exchange adjustments	1	2	-	5	8
At 31 December 2018	284	4,189	-	4,441	8,914
Carrying amount					
At 31 December 2018	17,669	7,363	7,346	2,720	35,098
At 31 December 2017	13,065	8,023	174	1,775	23,037

Company	Short leasehold property	Office furniture and equipment	Total
	£000	£000	£000
Cost or valuation			
At 1 January 2018	75	110	185
Additions	18	3	21
At 31 December 2018	93	113	206
Depreciation and impairment			
At 1 January 2018	45	98	143
Depreciation charged in the year	7	7	14
At 31 December 2018	52	105	157
Carrying amount			
At 31 December 2018	41	8	49
At 31 December 2017	30	12	42

14 Tangible fixed assets (Continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	Group		Company	
	2018	2017	2018	2017
	£000	£000	£000	£000
Office furniture and equipment	1,027	331	-	-

Land and buildings with a carrying amount of £16.1m were revalued in February 2019 by Colliers International, independent valuers not connected with the company, on the basis of market value. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties.

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	Group		Company	
	2018	2017	2018	2017
	£000	£000	£000	£000
Cost	6,732	6,732	-	-
Accumulated depreciation	(328)	(308)	-	-
Carrying value	6,404	6,424	-	-

Assets in the course of construction are not depreciated until they are brought into use.

15 Freehold investment properties

	Group	Company
	2018	2018
	£000	£000
Fair value		
At 1 January 2018	5,220	-
Additions through external acquisition	574	-
Disposals	(295)	-
Net gains or losses through fair value adjustments	622	-
At 31 December 2018	6,121	-

15 Freehold investment properties (Continued)

If investment properties were stated on an historical cost basis rather than a fair value basis, the amounts would have been included as follows:

	Group		Company	
	2018	2017	2018	2017
	£000	£000	£000	£000
Carrying amount	5,814	5,441	-	-

All of the investment property is held at on a fair value basis.

The valuations, which were supported by market evidence, were prepared by considering the aggregate of the net annual rents receivable from the properties and where relevant, associated costs. A yield which reflects the specific risks inherent in the net cash flows is then applied to the net annual rentals to arrive at the property valuation.

Any gain or loss arising from a change in fair value is recognised in profit or loss. Rental income from investment property is accounted for as turnover as described in note 1.4.

16 Fixed asset investments

		Group		Company	
		2018	2017	2018	2017
	Notes	£000	£000	£000	£000
Investments in subsidiaries	17	-	-	13,812	11,525
Loans to subsidiaries	17	-	-	17,407	12,734
Investments in associates	18	3,708	1,729	-	-
Loans to associates	18	4,173	2,124	-	-
Unlisted investments		5	7	-	12
		7,886	3,860	31,219	24,271

16 Fixed asset investments (Continued)

Movements in fixed asset investments

Group	Shares in group undertakings and participating interests	Loans to group undertakings and participating interests	Other investments other than loans	Total
	£000	£000	£000	£000
Cost or valuation				
At 1 January 2018	1,729	2,124	7	3,860
Additions	2,287	4,173	-	6,460
Share of profit/losses less dividends received	(308)	-	-	(308)
Disposals and amounts repaid	-	(2,124)	(2)	(2,126)
At 31 December 2018	3,708	4,173	5	7,886
Carrying amount				
At 31 December 2018	3,708	4,173	5	7,886
At 31 December 2017	1,729	2,124	7	3,860

Movements in fixed asset investments

Company	Shares in group undertakings	Loans to group undertakings	Other investments other than loans	Total
	£000	£000	£000	£000
Cost or valuation				
At 1 January 2018	11,525	17,705	12	29,242
Additions	2,287	7,500	-	9,787
Disposals and repaid	-	(2,827)	(12)	(2,839)
At 31 December 2018	13,812	22,378	-	36,190
Impairment				
At 1 January 2018 and 31 December 2018	-	4,971	-	4,971
Carrying amount				
At 31 December 2018	13,812	17,407	-	31,219
At 31 December 2017	11,525	12,734	12	24,271

17 Subsidiaries

Details of the company's subsidiaries at 31 December 2018 are as follows:

Name of undertaking	Registered office key	Nature of business	Class of shares held	% Held Direct	% Held Indirect
Constantine Land Limited	First Floor River Court, The Old Mill Office Park, Mill Lane, Godalming, Surrey, GU7 1EZ	Property investment and management	Ordinary	100	
Constantine Energy Limited	"	Renewable energy	Ordinary	100	
Constantine Holdings Limited	"	Dormant	Ordinary	100	
Constantine Limited	20-26 Sandgate Street, London, SE15 1LE	Specialist logistics	Ordinary	100	
Peters & May Group Limited	Unit 9, Goodwood Road, Boyatt Wood, Southampton, Hampshire, SO50 4NT	Specialist logistics	Ordinary	100	
Simtex International Limited	4 West Links, The Business Village, Tollgate, Chandler's Ford, Eastleigh, Hampshire, SO53 3TG	Specialist logistics	Ordinary	100	
Constantine Property Management Limited	First Floor River Court, The Old Mill Office Park, Mill Lane, Godalming, Surrey, GU7 1EZ	Property management	Ordinary		100
CL58TS Limited	"	Non-trading	Ordinary		100
CLLG Limited	"	Non-trading	Ordinary		100
CLF3 Limited	"	Non-trading	Ordinary		100
Wingate & Johnston Limited	20-26 Sandgate Street, London, SE15 1LE	Non-trading	Ordinary		100
Peters & May Limited	Unit 9, Goodwood Road, Boyatt Wood, Southampton, Hampshire, SO50 4NT	Specialist logistics	Ordinary		100
Peters & May Global Logistics Limited	"	Specialist logistics	Ordinary		100
Corporate Express Couriers Limited	"	Non-trading	Ordinary		100
Bespoke Load Solutions Limited	"	Specialist logistics	Ordinary		100
Cigisped Limited	"	Dormant	Ordinary		100
Peters & May USA Inc.	823 NE 3rd Street, Dania Beach, Florida, 33004, USA	Specialist logistics	Ordinary		100
Peters & May France SARL	Le Vaisseau, 120 Bd Amiral Mouchez, 76 600 Le Havre, France	Specialist logistics	Ordinary		100
Peters & May Italy S.R.L.	Genova (GE) Via al Porto, Antico 2 Cap 16128, Palazzina, Santa Maria, Italy	Specialist logistics	Ordinary		100
Peters & May Germany GmbH	Beim Strohhause 31, 20097 Hamburg, Germany	Specialist logistics	Ordinary		100
Peters & May (China) Co Ltd	Room B06, 3rd Floor, No 16, Nong 658, Jinzhong Road, Changning District, Shanghai 200335, PR China	Specialist logistics	Ordinary		100

17 Subsidiaries **(Continued)**

Complete Freight Limited	Constantine House, North Caldeen Road, Coatbridge, North Lanarkshire, ML5 4EF	Non-trading	Ordinary	100
Peters & May Shipping LLC	Suite 413C, Diamond Business Centre (Block C), Arjan, Dubailand, Dubai, UAE	Specialist logistics	Ordinary	83
Transport Partners B.V.	Bronkhorststraat 8 4651 SZ Steenbergen	Specialist logistics	Ordinary	100
Transport Partners (USA) Inc.	2006 Cherry Hill Ln, Charleston, SC 29405, USA	Specialist logistics	Ordinary	100
Royal Marine Packing Inc.	2006 Cherry Hill Ln, Charleston, SC 29405, USA	Specialist logistics	Ordinary	100
Margarita Property Limited	First Floor River Court, The Old Mill Office Park, Mill Lane, Godalming, Surrey, GU7 1EZ	Dormant	Ordinary	100

18 Associates

Details of associates at 31 December 2018 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct	% Held Indirect
TGC Renewables Group Limited	c/o Greenbridge Consultancy Limited Factory Farm, Factory Lane, Oreton, Kidderminster, England, DY14	Renewable energy	Ordinary		39
TGC Renewables Limited	"	Renewable energy	Ordinary		39
Constantine Wind Energy Limited	First Floor River Court, The Old Mill Office Park, Mill Lane, Godalming, Surrey, GU7 1EZ	Renewable energy	Ordinary		50
CWE Airdrie Limited	"	Renewable energy	Ordinary		40
CWE Belhus Limited	"	Renewable energy	Ordinary		50
CWE Donaldson Limited	"	Renewable energy	Ordinary		40
CWE DS Limited	"	Renewable energy	Ordinary		50
CWE Endurance Limited	"	Renewable energy	Ordinary		50
CWE Gardrum Limited	"	Renewable energy	Ordinary		40
CWE Jacobshall Limited	"	Renewable energy	Ordinary		40
CWE Meikle Float Limited	"	Renewable energy	Ordinary		40
CWE Struan Limited	"	Renewable energy	Ordinary		40
CWE Northwind Limited	"	Renewable energy	Ordinary		50
CWE Norwin Limited	"	Renewable energy	Ordinary		50
CWE NW3 Limited	"	Renewable energy	Ordinary		50
CWE WH Limited	"	Renewable energy	Ordinary		40
CWE X Limited	"	Renewable energy	Ordinary		50
CWE WTN Limited	"	Renewable energy	Ordinary		50
CWE RTW Limited	"	Renewable energy	Ordinary		50
CWE V27 Limited	"	Renewable energy	Ordinary		50
Kinetica 333 Limited	"	Renewable energy	Ordinary		50
Kinetica 468 Limited	"	Renewable energy	Ordinary		50
Kinetica 492 Limited	"	Renewable energy	Ordinary		50
Kinetica 509 Limited	"	Renewable energy	Ordinary		50
Kinetica 522 Limited	"	Renewable energy	Ordinary		50
Kinetica 648 Limited	"	Renewable energy	Ordinary		50
Kinetica 712 Limited	"	Renewable energy	Ordinary		50
Gardrum Farm Wind Energy Limited	Constantine House, North Caldeen Road, Coatbridge, North Lanarkshire, Scotland, ML5 4EF	Renewable energy	Ordinary		50
Lochend Wind Energy Limited	"	Renewable energy	Ordinary		50

18 Associates **(Continued)**

Natural Generation Holdings Limited	Unit 3 Cligga Industrial Estate, St. Georges Hill, Perranporth, Cornwall, United Kingdom, TR6 0EB	Renewable energy	Ordinary		40
Natural Generation Limited	"	Renewable energy	Ordinary		40
Aeolus Power (MOTS) Limited	"	Renewable energy	Ordinary		40
Harbour Energy Development Limited	Basement, 68 Gloucester Street, London, United Kingdom, SW1V 4EF	Renewable energy	Ordinary		35
Stockbridge Land Limited	3 Hansard Mews, London, United Kingdom, W14 8BJ	Holding company	Ordinary	50	
Stockbridge (Cheltenham) Limited	"	Property development	Ordinary		50
Stockbridge (Newbury) Limited	"	Property development	Ordinary		50
Stockbridge (Newent) Limited	"	Property development	Ordinary		50
Stockbridge (Nottingham) Limited	"	Property development	Ordinary		50

19 Joint ventures

Details of joint ventures at 31 December 2018 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct	% Held Indirect
Bruton Place 1 LLP	First Floor River Court, The Old Mill Office Park, Mill Lane, Godalming, Surrey, GU7 1EZ	Dormant	Designated member		50
Summit Homes Limited	Croudace House, Tupwood Lane, Caterham, Surrey, CR3 6XQ	Property development	Ordinary		50

20 Financial instruments

	Group		Company	
	2018	2017	2018	2017
	£000	£000	£000	£000
Carrying amount of financial assets				
Debt instruments measured at amortised cost	16,861	16,257	n/a	n/a
Equity instruments measured at cost less impairment	5	7	n/a	n/a
Carrying amount of financial liabilities				
Measured at amortised cost	26,088	25,776	n/a	n/a

As permitted by the reduced disclosure framework within FRS 102, the company has taken advantage of the exemption from disclosing the carrying amount of certain classes of financial instruments, denoted by 'n/a' above.

21 Stocks

	Group		Company	
	2018	2017	2018	2017
	£000	£000	£000	£000
Raw materials and consumables	126	38	-	-

22 Debtors

	Group		Company	
	2018	2017	2018	2017
Amounts falling due within one year:	£000	£000	£000	£000
Trade debtors	11,260	10,404	-	-
Corporation tax recoverable	18	-	270	-
Amounts owed by group undertakings	-	-	577	1,032
Amounts owed by undertakings in which the company has a participating interest	-	2,715	-	113
Other debtors	1,493	1,014	800	800
Prepayments and accrued income	1,198	1,136	11	33
	13,969	15,269	1,658	1,978
Deferred tax asset (note 27)	-	-	670	807
	13,969	15,269	2,328	2,785

23 Creditors: amounts falling due within one year

	Notes	Group 2018 £000	Group 2017 £000	Company 2018 £000	Company 2017 £000
Bank loans and overdrafts	25	259	250	-	-
Obligations under finance leases	26	347	141	-	-
Other borrowings	25	511	680	-	-
Trade creditors		7,089	5,427	26	12
Amounts owed to group undertakings		-	-	37	1,068
Corporation tax payable		453	317	-	-
Other taxation and social security		802	665	50	-
Other creditors		1,099	55	19	1
Accruals and deferred income		14,520	16,847	5,541	6,807
		25,080	24,382	5,673	7,888

24 Creditors: amounts falling due after more than one year

	Notes	Group 2018 £000	Group 2017 £000	Company 2018 £000	Company 2017 £000
Bank loans and overdrafts	25	1,210	1,459	-	-
Obligations under finance leases	26	713	155	-	-
Other borrowings	25	251	762	-	-
Other creditors		89	-	-	-
		2,263	2,376	-	-

25 Loans and overdrafts

	Group 2018 £000	Group 2017 £000	Company 2018 £000	Company 2017 £000
Bank loans	1,460	1,709	-	-
Bank overdrafts	9	-	-	-
Other loans	762	1,442	-	-
	2,231	3,151	-	-
Payable within one year	770	930	-	-
Payable after one year	1,461	2,221	-	-

25 Loans and overdrafts (Continued)

The bank loans which are comprised of bank loans in Constantine Limited, are secured by means of a fixed charge over certain of Constantine Limited's land and buildings. The bank loans are subject to interest at LIBOR + 2.75% and mature in 2020.

The other loans which are comprised of three chattel mortgages in Constantine Limited, are secured against certain of the Constantine Limited's tangible fixed assets to which the loans relate. The other loans are subject to interest in the range of 3.0% - 4.0% and mature in 2020.

26 Finance lease obligations

	Group		Company	
	2018	2017	2018	2017
	£000	£000	£000	£000
Future minimum lease payments due under finance leases:				
Within one year	273	141	-	-
In two to five years	787	155	-	-
	1,060	296	-	-

The finance lease obligations, which are reported in Constantine Limited, are secured against the assets to which they relate.

27 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

Group	Liabilities 2018 £000	Liabilities 2017 £000	Assets 2018 £000	Assets 2017 £000
Accelerated capital allowances	501	632	-	-
Property	1,563	737	-	-
Other timing differences	(374)	(878)	-	-
	1,690	491	-	-

Company	Liabilities 2018 £000	Liabilities 2017 £000	Assets 2018 £000	Assets 2017 £000
Other timing differences	-	-	670	807

27 Deferred taxation (Continued)

	Group 2018 £000	Company 2018 £000
Movements in the year:		
Liability/(asset) at 1 January 2018	491	(807)
Charge to profit or loss	827	137
Charge to other comprehensive income	345	-
Other	27	-
Liability/(asset) at 31 December 2018	1,690	(670)

28 Retirement benefit schemes

	2018 £000	2017 £000
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	304	397

The group has a number of defined contribution pension schemes in operation.

Contributions amounting to £37,129 (2017 - £45,417) were payable to the schemes at the end of the year and are included in creditors.

29 Share capital

	Group and company 2018 £000	2017 £000
Ordinary share capital		
Issued and fully paid		
406,178 Ordinary Shares of £1 each	406	406

During 2017 the company issued 16,107 ordinary shares for cash, and repurchased 144,060 ordinary shares for subsequent cancellation.

30 Acquisitions

On 3 January 2018 Peters & May Group Limited acquired 83.33 percent of the issued share capital of Peters & May LLC (formerly WWY Shipping LLC).

	Book Value £000	Adjustments £000	Fair Value £000
Plant, property and equipment	37	-	37
Inventories	4	-	4
Trade and other receivables	102	-	102
Cash and cash equivalents	77	-	77
Trade and other payables	(33)	-	(33)
Total identifiable net assets	187	-	187
Goodwill			279
Total consideration			466

The consideration was satisfied by:	£000
Cash	221
Deferred consideration	245
	466

Contribution by the acquired business for the reporting period included in the consolidated statement of comprehensive income since acquisition:	£000
Turnover	1,148
Loss after tax	(144)

30 Acquisitions (Continued)

On 4 January 2018 Peters & May Group Limited acquired 100 percent of the issued share capital of Transport Partners BV and its subsidiaries.

	Book Value £000	Adjustments £000	Fair Value £000
Plant, property and equipment	91	-	91
Inventories	31	-	31
Trade and other receivables	585	(19)	566
Cash and cash equivalents	120	-	120
Trade and other payables	(450)	(3)	(453)
Total identifiable net assets	377	(22)	355
Goodwill			1,359
Total consideration			1,714

The consideration was satisfied by:	£000
Cash	986
Deferred consideration	728
	1,714

Contribution by the acquired business for the reporting period included in the consolidated statement of comprehensive income since acquisition:	£000
Turnover	6,843
Profit after tax	260

31 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group		Company	
	2018	2017	2018	2017
	£000	£000	£000	£000
Within one year	1,494	1,269	39	39
Between two and five years	5,921	4,517	141	154
In over five years	5,832	5,323	-	26
	13,247	11,109	180	219

32 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2018	2017
	£000	£000
Aggregate compensation	3,874	6,262

Transactions with related parties

During the year the group entered into the following transactions with related parties:

	Sales	
	2018	2017
	£000	£000
Group		
Constantine Wind Energy Limited	110	109
TGC Renewables Group Limited	-	13
Morsol Limited	54	293

The following amounts were outstanding at the reporting end date:

Amounts due from related parties	2017
	Balance
	£000
Group	
Constantine Wind Energy Limited	21
Morsol Limited	92

Certain Constantine Group Limited directors were also directors of Morsol Limited during the year.

33 Controlling party

In the opinion of the directors the company and the group has no controlling party.

34 Cash generated from group operations

	2018 £000	2017 £000
Profit for the year after tax	1,654	20,219
Adjustments for:		
Share of results of associates and joint ventures	(275)	(1,024)
Taxation charged/(credited)	1,100	(113)
Finance costs	167	246
Investment income	(357)	(437)
Loss on disposal of tangible fixed assets	15	-
Gain on disposal of investment property	(68)	(177)
Gain on disposal of business	-	(19,567)
Amortisation and impairment of intangible assets	649	598
Depreciation and impairment of tangible fixed assets	1,536	1,284
Gain on sale of investments	(72)	-
Revaluation of land and buildings	(622)	-
Decrease in cost of intangible fixed assets	344	-
Movements in working capital:		
(Increase)/decrease in stocks	(88)	8,520
(Increase) in debtors	(1,318)	(10,330)
(Decrease)/increase in creditors	(393)	6,245
Cash generated from operations	2,272	5,464