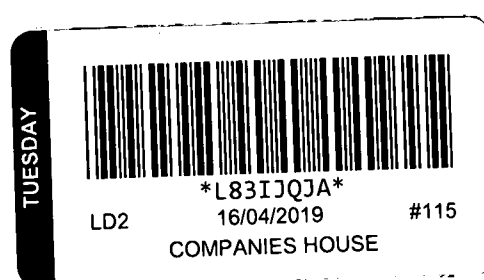


Brambles Enterprises Limited

**Annual report and financial statements
for the year ended 30 June 2018**



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Strategic Report for the year ended 30 June 2018

The directors present their Strategic Report of Brambles Enterprises Limited ("the Company") for the year ended 30 June 2018.

Review of the business

The Company provides management services to other companies in the Brambles Group. The Company has continued to provide management services at similar levels of activity as prior years. The directors are satisfied with the results of the Company and expect present levels of activity will be sustained for the foreseeable future.

The Company is a wholly owned subsidiary of the Brambles Group. The Brambles Group is a global group comprising Brambles Limited, a company incorporated in Australia and listed on the Australian Securities Exchange, and all its subsidiary undertakings. The Brambles Group is headquartered in Sydney, Australia.

Key performance indicators

The Company is a 100% owned subsidiary of the Brambles Group and only provides services internally to the Brambles Group. The directors consider that key performance indicators for the Company are neither relevant nor appropriate for an understanding of the development, performance or position of the business of the Company. The Brambles KPIs, which explain Group performance as a whole, are disclosed in the Brambles Limited Annual Report 2018.

Results

The results for the year are set out in the income statement on page 8.

Financial position

The net assets of the Company have increased by £472,000 from £8,135,000 at 30 June 2017 to £8,607,000 at 30 June 2018.

The directors consider the Company is in a strong and stable financial position to continue its current operations.

Principal risks and uncertainties

The Company operates robust risk management processes to ensure recognition and appropriate escalation of key financial, commercial, compliance, reputational and environmental risks. We strive to ensure sound risk management is embedded in all decision making and performance management processes. The directors believe that appropriate delegated authority and processes are in place to proactively manage emerging risks.

The principal risks and uncertainties of the Brambles Group do not form part of this report but they are disclosed in the Brambles Annual Report 2018 pages 12 & 13. Copies of the Brambles Group consolidated financial statements can be obtained from the Company Secretary at Level 10, Angel Place, 123 Pitt Street, Sydney, NSW 2000, Australia or at www.brambles.com

On behalf of the Board



D Berry
Director
15 April 2019

Directors' Report for the year ended 30 June 2018

The directors present their Report and the audited financial statements of the Company for the year ended 30 June 2018.

Future developments

The Company is expected to continue to provide management services for companies within the Brambles Group with no significant changes for the foreseeable future.

Dividends

The Company has not paid an interim dividend during the year (2017: nil). The directors do not recommend payment of a final dividend (2017: nil).

Financial risks

The Company manages its financial risk in conjunction with the Brambles Group. The Company is exposed to a variety of financial and market based risks, including exposure to fluctuating interest and exchange rates. Standard financial derivatives are used by the Brambles Group to manage financial exposures in the normal course of business in accordance with Brambles Group policies. Dealings in financial derivatives are restricted by Brambles Group approved delegated authorities. No derivatives are used for speculative purposes. Derivatives are transacted predominantly with relationship banks, with individual credit limits assigned to those banks thereby limiting exposure to credit-related losses in the event of non-performance by a counterparty.

Funding and liquidity

The Company borrows from or lends to other Brambles Group undertakings from time to time. To minimise foreign exchange risks Brambles Group borrowings are arranged in the currency of the relevant operating asset to be funded.

Interest rate risk

The Brambles Group's interest rate risk policy is designed to reduce volatility in funding costs through prudent selection of hedging instruments. This policy comprises maintaining a mix of fixed and floating rate instruments within a target band over a certain time horizon. The Company has no significant exposure to external interest rate risk.

Foreign exchange risk

The Brambles Group's foreign exchange exposures are managed from the perspective of protecting shareholder value. Under the Brambles Group foreign exchange policy, foreign exchange hedging is mainly confined to hedging transaction exposures where they exceed a certain threshold, and as soon as a defined exposure arises. New exposures may arise with external parties or by way of cross-border inter-company transactions. Forward foreign exchange contracts are primarily used for these purposes. The Company has no significant exposure to foreign exchange risk.

Directors

The directors of the Company who were in office during the year and up to the date of the signing of the financial statements were:

D Berry
M Pooley

Qualifying third-party indemnity provisions

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Brambles Group also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of the Company and its Directors.

Post balance sheet events

No material events occurred after the year end date of 30 June 2018 and before the signing of the Company's financial statements.

Directors' Report for the year ended 30 June 2018 *(continued)*

Charitable contributions

The Company made the following charitable contributions for the year ended 30 June 2018:

FEBA	£17,816
Crosscare	£2,232
Whitelodge	£150

Going Concern

The Company participates in the Brambles Group's centralised treasury arrangements and is funded by the Brambles Group through its fellow group undertaking, Brambles U.K. Limited (BUK). The directors have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Company to continue as a going concern or its ability to continue with the current funding arrangements.

On the basis of their assessment of the Company's financial position, the Company's directors have a reasonable expectation that the Company will be able to continue to meet its liabilities as they fall due. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Statement of directors' responsibilities in respect of the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Directors' Report for the year ended 30 June 2018 *(continued)*

Disclosure of information to auditors

So far as each director is aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that he ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

On behalf of the Board



D Berry
Director

15 April 2019

Registered office: 2nd Floor, 400 Dashwood Lang Road, Bourn Business Park, Addlestone, Surrey, KT15 2HJ, England

Independent auditors' report to the members of Brambles Enterprises Limited

Report on the audit of the financial statements

Opinion

In our opinion, Brambles Enterprises Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: Statement of financial position as at 30 June 2018; Income statement for the year ended 30 June 2018; Statement of comprehensive income for the year ended 30 June 2018; Statement of changes in equity for the year ended 30 June 2018; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- 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 company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report for the year ended 30 June 2018, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report for the year ended 30 June 2018

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 30 June 2018 for the year ended 30 June 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report for the year ended 30 June 2018.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements set out on page 3, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' 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 auditors' 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

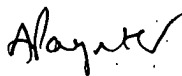
Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Andrew Paynter (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
15th April 2019

Brambles Enterprises Limited
Year ended 30 June 2018

(All amounts are in £ thousands unless otherwise stated)

Income statement for the year ended 30 June 2018

	Note	2018	2017
Revenue	5	68,027	75,249
Gross profit		68,027	75,249
Administrative expenses		(66,611)	(73,333)
Operating profit	6	1,416	1,916
Profit before interest and taxation		1,416	1,916
Finance costs	8	(686)	(760)
Profit on ordinary activities before taxation		730	1,156
Tax on profit on ordinary activities	9	(258)	(169)
Profit for the financial year		472	987

(All amounts are in £ thousands unless otherwise stated)

Statement of comprehensive income for the year ended 30 June 2018

	2018	2017
Profit for the financial year	472	987
Total comprehensive income for the year	472	987

Brambles Enterprises Limited
Year ended 30 June 2018

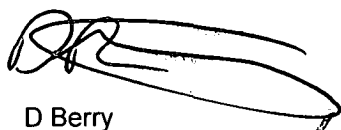
(All amounts are in £ thousands unless otherwise stated)

Statement of financial position as at 30 June 2018

	Notes	2018	2017
Fixed assets			
Intangible assets	10	268	393
Property, plant and equipment	11	2,070	384
		2,338	777
Current assets			
Trade and other receivables	12	50,873	48,809
Deferred tax asset	13	713	887
Cash and cash equivalents		480	25
		52,066	49,721
Creditors: amounts falling due within one year	14	(45,797)	(40,338)
Net current assets		6,269	9,383
Total assets less current liabilities		8,607	10,160
Creditors: amounts falling due after more than one year	15	-	(2,025)
Net assets		8,607	8,135
Equity			
Called up share capital	18	50	50
Other reserves		1,711	1,711
Retained earnings		6,846	6,374
Total shareholders' funds		8,607	8,135

The notes on pages 12 to 27 are an integral part of these financial statements.

The financial statements on pages 8 to 27 were authorised for issue by the Board of Directors and were signed on its behalf.


D Berry
Director
17 April 2019

Brambles Enterprises Limited
Year ended 30 June 2018

(All amounts are in £ thousands unless otherwise stated)

Statement of changes in equity for the year ended 30 June 2018

	Called-up share capital	Other reserves	Retained earnings	Total shareholders' funds
Balance as at 1 July 2016	50	1,792	5,387	7,229
Profit for the financial year	-	-	987	987
Total comprehensive income for the year	-	-	987	987
Credit relating to equity settled share-based payments	-	100	-	100
Charge from parent for equity-settled share-based payments	-	(181)	-	(181)
Total transactions with owners recognised directly in equity	-	(81)	-	(81)
Balance as at 30 June 2017	50	1,711	6,374	8,135
Balance at 1 July 2017	50	1,711	6,374	8,135
Profit for the financial year	-	-	472	472
Total comprehensive income for the year	-	-	472	472
Credit relating to equity settled share-based payments	-	115	-	115
Charge from parent for equity-settled share-based payments	-	(115)	-	(115)
Total transactions with owners recognised directly in equity	-	-	-	-
Balance as at 30 June 2018	50	1,711	6,846	8,607

Other reserves relate to equity settled share based payments.

Notes to the financial statements for the year ended 30 June 2018

1 General information

Brambles Enterprises Limited ("the Company") is a management services company which provides management services to a supply-chain logistics group ("the Brambles Group"), operating primarily through the CHEP and IFCO brands. The Brambles Group specialises in the pooling of reusable unit-load equipment and the provision of associated services, focussing on the outsourced management of returnable pallets, crates and containers.

The Brambles Group primarily serves customers in the fast-moving consumer goods (e.g. dry food, grocery, and health and personal care), fresh produce, beverage, retail and general manufacturing industries, counting many of the world's best-known brands among its customers. The Brambles Group also operates specialist container logistics businesses serving the automotive, aerospace and oil and gas sectors.

The Company is a wholly owned subsidiary of the Brambles Group. The Brambles Group is a global group comprising Brambles Limited, a company incorporated in Australia, limited by shares and listed on the Australian Securities Exchange, and all its subsidiary undertakings. The Brambles Group is headquartered in Sydney, Australia.

The Company is a private limited company and is incorporated and domiciled in the UK. The address of its registered office is 2nd Floor, 400 Dashwood Lang Road, Bourne Business Park, Addlestone, Surrey, KT15 2HJ, England.

Statement of compliance with FRS 101

These financial statements were prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' ("FRS 101"). The Company meets the definition of a qualifying entity under FRS 100, 'Application of Financial Reporting Requirements' as issued by the Financial Reporting Council.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

These financial statements have been prepared in accordance with FRS 101. The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 ("the Act") as applicable to companies using FRS 101. FRS 101 sets out a reduced disclosure framework for a 'qualifying entity' as defined in the standard which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted IFRS.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Notes to the financial statements for the year ended 30 June 2018 (continued)

2 Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

As permitted by FRS 101, in the preparation of these financial statements the Company has (where relevant) taken full advantage of the disclosure exemptions from the requirements of IFRS in relation to the following:

- share-based payments;
- business combinations;
- non-current assets held for sale and discontinued operations;
- financial Instruments;
- fair value measurement;
- presentation of comparative information in respect of certain assets;
- presentation of a cash flow statement
- a statement of financial position as at the beginning of the preceding period;
- capital management
- standards not yet effective
- related party transactions; and
- impairment of assets.

Where required, equivalent disclosures are given in the consolidated financial statements of Brambles Limited.

New standards, amendments and IFRIC interpretations

No new accounting standards, or amendments to accounting standards, or IFRSIC interpretations that are effective for the year ended 30 June 2018, have had a material impact on the Company.

Going concern

The Company participates in the Brambles Group's centralised treasury arrangements and is funded by the Brambles Group through its fellow group undertaking, Brambles Finance plc (BFP). The directors have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Company to continue as a going concern or its ability to continue with the current funding arrangements.

On the basis of their assessment of the Company's financial position, the Company's directors have a reasonable expectation that the Company will be able to continue to meet its liabilities as they fall due. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

2.2 Separate financial statements

These financial statements are separate financial statements.

2.3 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in 'Pounds Sterling' (£), which is also the Company's functional currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions, or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. All other foreign exchange gains and losses are presented in the income statement within 'Other operating income.'

Notes to the financial statements for the year ended 30 June 2018 (continued)

2 Summary of significant accounting policies (continued)

2.4 Property, plant and equipment

All property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation on assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

- | | |
|--------------------------|---------------|
| • Computers & software | 3 to 10 years |
| • Computer equipment | 3 to 10 years |
| • Fixtures & fittings | 5 to 10 years |
| • Leasehold Improvements | 10 years |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other income' in the income statement.

2.5 Intangible assets

Computer software

Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software development costs recognised as assets are amortised over their estimated useful lives, which does not exceed three years.

Notes to the financial statements for the year ended 30 June 2018 (continued)

2 Summary of significant accounting policies (continued)

2.6 Impairment of non-financial assets

Non-financial assets not ready to use are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

2.7 Financial assets

2.7.1 Classification

The Company classifies its financial assets as loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period which are classified as non-current assets. The Company's loans and receivables comprise receivables and cash in the balance sheet.

2.7.2 Recognition and measurement

Financial assets are recognised on balance sheet when the Company becomes a party to the contractual provisions of the instrument. Derecognition takes place when the Company no longer controls the contractual rights that comprise the financial instrument, which is normally the case when the instrument is sold, or all the cash flows attributable to the instrument are passed through to an independent third party

Loans and receivables are initially recognised at fair value plus transaction costs and are subsequently carried at amortised cost using the effective interest method.

2.8 Impairment of financial assets

Assets carried at amortised cost

The company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

2.9 Trade and other receivables

Trade and other receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Notes to the financial statements for the year ended 30 June 2018 (continued)

2 Summary of significant accounting policies (continued)

2.10 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

2.11 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.12 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.13 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

2.14 Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.15 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholders' funds. In this case, the tax is also recognised in other comprehensive income or directly in shareholders' funds, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; or arise from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Notes to the financial statements for the year ended 30 June 2018 (continued)

2 Summary of significant accounting policies (continued)

2.15 Current and deferred income tax (continued)

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.16 Employee benefits

The Company's post-employment schemes comprise a defined contribution pension plan and a defined benefit pension plan, The Brambles Enterprises (1996) Pension Scheme ("the Scheme"), which is closed to new members and future accrual.

Pension obligations

A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan.

The Scheme is a defined benefit plan that shares risks between entities under common control, comprising the Company and CHEP UK Limited. Under an established policy, the net defined benefit cost for the Scheme is charged in full to CHEP UK Limited, and no part is borne by the Company. Accordingly, the Company's reported share of the net defined benefit cost and related balance sheet obligation is nil (2017: nil) and the full defined benefit cost, balance sheet obligation and all related disclosures required by IAS 19 - *Employee Benefits* are reported in the 2018 Annual Report of CHEP UK Limited.

For defined contribution plans, the Company pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

2.17 Share-based payments

The Company participates in a number of Brambles Group equity-settled, share-based compensation plans, including the MyShare employee share plan, under which the Company receives services from employees as consideration for equity instruments (options) of Brambles Limited, the ultimate parent undertaking incorporated in Australia and listed on the Australian Securities Exchange.

The awards are granted by Brambles Limited and the Company has no obligation to settle the awards. Options and share awards are fair valued by qualified actuaries at their grant dates in accordance with the requirements of IFRS 2 - *Share-based Payment*, using a binominal model. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense on a straight-line basis over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (vesting date). A credit is recognised directly in shareholders' funds.

The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (for example, an entity's share price); but
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and

Notes to the financial statements for the year ended 30 June 2018 (continued)

2 Summary of significant accounting policies (continued)

2.17 Share-based payments (continued)

- including the impact of any non-vesting conditions (for example, the requirement for employees to save).

Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each balance sheet date, the Company and Brambles Limited revise their estimate of the number of options that are expected to become exercisable based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

When the options are exercised the Company is recharged by Brambles Limited for the options' total fair value as at the date of exercise. The portion of this recharge that equates to the original fair value of the options at the grant date is accounted for as a deduction from shareholders' funds, and any excess is recognised through the income statement.

Details of the share option and performance share schemes are given in the Remuneration Report (pages 22 to 25) and in Note 23 to the financial statements of the 2018 Annual Report of Brambles Limited.

2.18 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to The Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for the provision of management services related to pooling equipment. Amounts disclosed as revenue are net of duties and taxes paid (Value Added Tax and local equivalents).

Revenue for services is recognised when invoicing the customer following the provision of the service and/or under the terms of agreed contracts in accordance with agreed contractual terms in the period in which the service is provided.

2.19 Interest income

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables is recognised using the original effective interest rate.

2.20 Leases

Leases in which substantially all of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

2.21 Dividend distribution

Dividend distributions to the company's shareholders are recognised as a liability in the company's financial statements in the period in which the dividends are approved by the company's shareholders.

Notes to the financial statements for the year ended 30 June 2018 (continued)
(All amounts are in £ thousands unless otherwise stated)

3 Critical accounting estimates and judgments

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3.1 Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Useful economic lives of property, plant and equipment

The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 11 for the carrying amount of the property plant and equipment, and note 2.4 for the useful economic lives for each class of assets.

3.2 Critical judgements in applying the entity's accounting policies

The assumptions used in the impairment review process for the fixed assets investments, as disclosed (if relevant) in Notes 10 & 11, could change in the next year and have a material effect on the carrying amounts of fixed asset investments recognised at the balance sheet date. There are no other critical judgements used in applying the Company's accounting policies which could change in the next year and have a material effect on the carrying amounts of assets and liabilities recognised at the balance sheet date.

4 Financial instruments

The Company has no financial assets measured at fair value through profit or loss.

The Company has no financial liabilities measured at fair value through profit or loss.

5 Revenue

All of the Company's revenue is from the provision of management services to Brambles Group undertakings.

Analysis of revenue by geography:

	2018	2017
United Kingdom and Ireland	18,285	20,437
Europe	49,742	54,812
	68,027	75,249

Notes to the financial statements for the year ended 30 June 2018 (continued)
(All amounts are in £ thousands unless otherwise stated)

6 Operating profit

Operating profit is stated after charging:

	2018	2017
Wages and salaries	7,009	7,280
Social security costs	1,132	1,459
Other pension costs (Note 16)	511	643
Share-based payments	115	81
Staff costs (for employees seconded to the Company)	8,767	9,463
Depreciation of property, plant and equipment	342	366
Amortisation of intangibles	126	403
Audit fees payable to the Company's auditors	227	227
Foreign exchange losses on trade receivables	(501)	926

7 Employees and directors

Employees

The average monthly number of persons (including executive directors) employed by the Company during the year was nil (2017: nil).

The Company receives seconded employees from fellow group undertakings. The average number of employees seconded to the Company during the year was:

	2018 Number	2017 Number
<i>By activity:</i>		
Administration	82	80

Directors

None of the directors received any emoluments or any other benefits as described in Schedule 5 to The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 from the Company during the year (2017: nil). All of the directors receive remuneration from Brambles Holdings (UK) Limited or CHEP UK Limited as employees of those companies and, due to the non-executive nature of their services, it is not appropriate to make an apportionment of their emoluments in respect of the Company.

8 Finance costs

Finance expense

	2018	2017
Bank borrowings	-	4
Other loans from fellow group undertakings	686	756
Total finance expense	686	760

Notes to the financial statements for the year ended 30 June 2018 (continued)
(All amounts are in £ thousands unless otherwise stated)

9 Tax on profit

Tax expense included in profit or loss	2018	2017
Current tax:		
– UK Corporation tax on profits for the year	(46)	(231)
– Adjustments in respect of prior periods	(38)	4
Total current tax	(84)	(227)
Deferred tax:		
Origination and reversal of timing differences	(117)	(90)
Impact of change in tax rate	12	3
Adjustments in respect of prior periods	(69)	145
Total deferred tax	(174)	58
Tax credit on profit on ordinary activities	(258)	(169)

Tax expense for the year is lower (2017: lower) than the standard rate of corporation tax in the UK for the year ended 30 June 2018 of 19% (2017: 19.75%). The differences are explained below:

	2018	2017
Profit before taxation	730	1,156
Profit multiplied by the standard rate of tax in the UK of 19% (2017: 19.75%):	(139)	(228)
Effects of:		
– Expenses not deductible for tax purposes	(24)	(93)
– Remeasurement of deferred tax – change in UK tax rate	12	3
– Adjustments in respect of prior periods	(107)	149
Tax charge	(258)	(169)

The tax rate for the current year is lower than the prior year due to changes in the UK Corporation tax rate which decreased from 20% to 19% from 1 April 2017.

Reductions to the UK Corporation tax rates were enacted as part of the Finance (No 2) Act 2015 on 18 November 2015. These reduce the main rate to 19% from 1 April 2017 and to 17% from 1 April 2020. The Finance Act 2016 was enacted on 15 September 2016 and further reduced the main rate to 17% from 1 April 2020, superseding the previously enacted rate of 18%. The deferred tax assets and liabilities have been updated to reflect the reduction in the rates.

Notes to the financial statements for the year ended 30 June 2018 (continued)
(All amounts are in £ thousands unless otherwise stated)

10 Intangible assets

	Licences	* Computers & Software	Total
<i>Cost:</i>			
At 1 July 2017	2,136	32,399	34,535
As at 30 June 2018	2,136	32,399	34,535
<i>Accumulated amortisation:</i>			
At 1 July 2017	(2,136)	(32,006)	(34,142)
Charge for the year	-	(126)	(126)
At 30 June 2018	(2,136)	(32,132)	(34,268)
<i>Net book amount:</i>			
As at 30 June 2017	-	394	394
Movement during the year	-	(126)	(126)
As at 30 June 2018	-	268	268

Intangible assets amortisation is recorded in administrative expenses in the income statement.
 *£5,000 in Asset under construction as at 1st July 2017 has been reclassified to Computer & Software.

Notes to the financial statements for the year ended 30 June 2018 (continued)
(All amounts are in £ thousands unless otherwise stated)

11 Property, plant and equipment

	Furniture	* Computer Equipment	Leasehold Improvements	Fixtures and Fittings	Office Equipment	Total
At 1 July 2017						
Cost	45	11,158	-	269	95	11,567
Accumulated depreciation and impairment	(45)	(10,774)	-	(269)	(95)	(11,183)
Net book amount	-	384	-	-	-	384
Year ended 30 June 2018						
Cost	-	384	-	-	-	384
Additions	323	640	1,065	-	-	2,028
Depreciation charge	(5)	(328)	(9)	-	-	(342)
Closing net book amount	318	696	1,056	-	-	2,070
At 30 June 2018						
Cost	368	11,798	1,065	269	95	13,595
Accumulated depreciation and impairment	(50)	(11,102)	(9)	(269)	(95)	(11,525)
Net book amount	318	696	1,056	-	-	2,070

*£12,000 in Asset under construction as at 1st July 2017 has been reclassified to Computer Equipment.

12 Trade and other receivables

	2018	2017
Amounts due from group undertakings *	48,522	46,258
Other receivables	1,531	1,323
Prepayments and accrued income	820	1,228
	50,873	48,809

Amounts due from group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

*£16,561 in Amounts due from group undertakings in 2017, has been reclassified to Amounts due to group undertakings.

Notes to the financial statements for the year ended 30 June 2018 (continued)
(All amounts are in £ thousands unless otherwise stated)

13 Deferred tax asset

	Deferred tax
At 1 July 2017	887
Additions to the income statement	(174)
At 30 June 2018	713

The deferred tax asset consists of the following:

	2018	2017
Deferred tax assets due within 12 months	304	325
Deferred tax assets due after more than 12 months	409	562
Total provision	713	887

Deferred tax assets	Accelerated capital allowances	Other short term differences	Total
At 1 July 2016	488	340	828
Charged to the income statement	74	(15)	59
At 30 June 2017	562	325	887
Charged to the income statement	(153)	(21)	(174)
At 30 June 2018	409	304	713

There are no unused tax losses or unused tax credits.

14 Creditors: amounts falling due within one year

	2018	2017
Trade creditors	3,065	4,317
Amounts due to group undertakings *	22,860	22,295
Corporate income tax	315	514
Accruals	19,557	13,212
	45,797	40,338

Amounts due to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

*£16,561 in Amounts due from group undertakings in 2017, has been reclassified to Amounts due to group undertakings.

Notes to the financial statements for the year ended 30 June 2018 (continued)
(All amounts are in £ thousands unless otherwise stated)

15 Creditors: amounts falling due after more than one year

	2018	2017
Amounts owed to group undertakings		
- Brambles U.K. Limited	-	2,025

All intra-group loans to the Company as borrower comprise unsecured committed revolving loan facilities that carried interest during FY 2016 at Brambles' cost of funds plus a margin of 2.0% and 2.2%. During June 2015, all intra group loan agreements were amended to increase the interest margin from 2.0% to 2.2% with effect from 30 September 2015, and to extend the loan term from 30 September 2015 to 30 September 2018. Individual committed loan facilities comprise:

- GBP 50,000,000 (2017: GBP 20,000,000) facility from Brambles U.K. Limited dated 18 June 2012 (as amended).

16 Post-employment benefits

The Company operates a number of pension schemes for its employees.

Defined benefit scheme

Until 30 September 2011, certain employees of the Company and seconded employees recharged from other group undertakings participated in a defined benefit pension scheme operated by the Brambles Group, The Brambles Enterprises (1996) Pension Scheme ("the Scheme"). The Scheme is funded, self-administered and its assets held independently from the Company's (and Group's) finances. The Scheme is closed to new members and, from 30 September 2011, closed to future accrual of pension benefits and all existing active members became deferred. For active members at the date of closure, the link between benefits and salary has been retained.

The Scheme shares risks between entities under common control, comprising the Company and CHEP UK Limited. Under an established policy, the net defined benefit cost for the Scheme is charged in full to CHEP UK Limited, and no part is borne by the Company. Accordingly, the Company accounts for the Scheme as if it were a defined contribution scheme.

Full details of the Scheme are disclosed in the 2018 Annual Report of CHEP UK Limited. At 30 June 2018, the Scheme has a deficit of £16,322,000 (2017: £26,613,000) that is being addressed by an increase in the level of contributions made to the Scheme.

Defined contribution scheme

The Company also provides a defined contribution scheme for its employees.

The amount recognised as an expense for the defined contribution scheme was:

	2018	2017
Current year contributions	511	643

Notes to the financial statements for the year ended 30 June 2018 (continued)
(All amounts are in £ thousands unless otherwise stated)

17 Share-based payments

Performance shares

Certain employees of the Company have the opportunity to receive an annual equity grant in the form of long-term incentive ("LTI") share awards in Brambles Limited. Vesting occurs three years from the date the award is granted and is subject to satisfaction of performance conditions over a three year performance period. If awards vest, they are exercisable for up to six years from the date of grant. The exercise price for all awards is nil.

Employee share plan

MyShare is a Brambles Group vehicle developed to encourage share ownership and retention across the Brambles Group. Employees of the Company may buy up to A\$5,000 of shares in Brambles Limited each year, which Brambles Limited then matches on a one for one basis after a two year qualifying period (provided the employee remains in employment at vesting). The exercise price for all matching shares is nil.

The Company recognises a share-based payment expense based on the fair value of the awards granted, and an equivalent credit directly in equity as a capital contribution.

When the options are exercised the Company is recharged by Brambles Limited for the options' total fair value as at the date of exercise. The portion of this recharge that equates to the original fair value of the options at the grant date is accounted for as a deduction from shareholders' funds, and any excess is recognised through the income statement.

Details of the share option and performance share schemes are given in the Remuneration Report (pages 22 to 25) and in Note 23 to the financial statements of the 2018 Annual Report of Brambles Limited.

18 Called up share capital

Ordinary shares of £1.00 each

	No.	£
Allotted and fully paid		
At 30 June 2017 and 30 June 2018	50,000	50,000

All shares rank pari passu in all respects.

19 Contingent liabilities

The Company, in conjunction with certain companies within the Brambles Group in the United Kingdom, is party to a composite guarantee structure with a clearing bank for set-off arrangements to a net maximum of £18,000,000 (2017: £18,000,000).

In the ordinary course of business, the Company becomes involved in litigation. Provisions are recognised for known obligations where the existence of the liability is probable and can be reasonably quantified. As the outcomes of these matters remain uncertain, contingent liabilities exist for possible amounts eventually payable that are in excess of the amounts provided.

Notes to the financial statements for the year ended 30 June 2018 (continued)
(All amounts are in £ thousands unless otherwise stated)

20 Related party transactions

The Company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose transactions with fellow wholly owned subsidiaries of Brambles Limited.

There are no other related party transactions.

21 Controlling parties

The immediate parent undertaking is Cyan Logistics Limited, which is incorporated in England and Wales.

The ultimate parent undertaking and the smallest and largest group to consolidate these financial statements is Brambles Limited, which is incorporated in Australia. Copies of all Brambles Group financial statements are available from 2nd Floor, Dashwood Lang Road, Bourne Business Park, Addlestone, Surrey, KT15 2HJ, England.

The ultimate controlling party is Brambles Limited.

22 Events after the end of the reporting period

No material events occurred after the year end date of 30 June 2018 and before the signing of the Company's financial statements.