

Registered number: 02484251

**ABBAY LOGISTICS GROUP LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 27 JUNE 2020**

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**ABBAY LOGISTICS GROUP LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	D Coulson R M Ellis S Granite D Patten M T Male
<b>Registered number</b>	02484251
<b>Registered office</b>	Suite 11 Stone Cross Place Stone Cross Lane North Lowton Warrington WA3 2SH
<b>Independent auditor</b>	Grant Thornton UK LLP Chartered Accountants Statutory Auditor Royal Liver Building Liverpool L3 1PS
<b>Bankers</b>	HSBC UK Bank Plc 4 Hardman Square Spinningfields Manchester M3 3EB
<b>Solicitors</b>	Pinsent Masons LLP 3 Hardman Square Spinningfields Manchester M3 3AU

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**ABBHEY LOGISTICS GROUP LIMITED**

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**ABBAY LOGISTICS GROUP LIMITED**

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**STRATEGIC REPORT  
FOR THE PERIOD ENDED 27 JUNE 2020**

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The directors present their Strategic Report on the company for the period ended 27 June 2020.

**Review of the business and future developments**

The Abbey Logistics Group is principally engaged in the provision of logistics services in the UK and Northern Europe.

Turnover from continuing activities of £62.9m increased by 0.3% on the prior year (£62.7m) and with an increased gross margin of 22.9% (2019: 20.7%).

Following a period of transition for the company over the past few years, the directors are pleased to report a significantly improved financial performance with underlying EBITDA increasing to £4.6m for the period to June 2020, representing an increase of 37% on the prior year despite the uncertainties presented by the developing COVID-19 situation during 2020.

The company has benefited from having a settled senior management team in place for the past 18 months and this stability has enabled the business to focus on improving margins through operational efficiencies and ongoing tight cost control, with the benefits flowing through particularly strongly in the second half of the financial period.

The company was pleased to welcome a number of new customers, secure additional volumes and renew key customer contracts during the period and shortly after the period end.

The company experienced a temporary reduction in trading volumes from March 2020 due to the 'lock-down' imposed by the UK Government to deal with the COVID-19 situation. The directors took early and decisive steps to protect margin and liquidity to ensure that the business was in a strong position to respond to the crisis as it unfolded. Due to the majority of volumes being related to the transportation of food ingredients and through working in close partnership with our customers to ensure continuity of supply, trading volumes recovered back to their normal 'pre-COVID 19' levels by June 2020.

The directors believe that the experience of operating very successfully during the first 'lock-down' means that the company is well placed to deal with any issues and challenges that might arise subsequently. After the period end and at the time of signing these financial statements, the UK is in a second national 'lockdown'. Underlying volumes have not materially decreased in these early stages, but the directors note that the COVID-19 situation is a fluid one and therefore maintain a close watching brief on developments. The directors also note the exceptional efforts and dedication shown by Abbey Logistics Group employees in responding to the COVID-19 situation and ensuring that the business has been able to react quickly and effectively to work with customers and play an important role in servicing the UK supply chain.

The company continues to monitor the national political environment and the planned trade agreements following the UK's exit from the European Union in January 2020. The vast majority of the group's revenues are derived from the movement of products within the UK and therefore the group is unlikely to be directly effected by any arrangements that will be required to transport products between the UK and Continental Europe. The company is closely reviewing developments and sees opportunities for business development, with an increased level of enquiries being received after the period end for available space at its warehouse in Bromborough.

The directors are pleased with the continued and sustained improvement in financial performance generated during the period and have seen this improvement in performance continue further into the next financial period. The unaudited trading results for the first quarter to September 2020 show an underlying EBITDA of £2.6m, representing a 46% improvement on budget and a more than doubling of the EBITDA achieved in the prior year (quarter to September 2019).

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## **ABBEEY LOGISTICS GROUP LIMITED**

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### **STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 27 JUNE 2020**

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#### **Key performance indicators**

In addition to traditional financial performance measures, the company uses the following key performance indicators to monitor performance:

- Revenue per vehicle
- Revenue per mile
- Cost per mile

These are monitored on a regular basis by the Board and the directors are satisfied with the performance in these areas during the period.

#### **Principal risks and uncertainties**

The company uses various financial instruments, including intercompany loans, finance leases and hire purchase contracts, cash and various items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to provide finance for the company's operations. The existence of these financial instruments exposes the company to a number of financial risks, which are described in more detail below.

The main risk arising from the company's financial instruments is liquidity risk, credit risk and cash flow interest rate risk. The directors review and agree policies for managing each of these risks and they are summarised below. The policies have remained unchanged from previous years.

#### **Liquidity Risk**

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Short term flexibility is achieved by invoice discounting facilities. The maturity of borrowings is set out in the notes to the financial statements.

#### **Credit Risk**

The company's principal financial assets are cash and trade debtors. The credit risk associated with cash is limited. The principal credit risk arises therefore from its trade debtors.

In order to manage credit risk the directors set limits for customers based on a combination of payment history and third party credit references. Credit limits are reviewed by the credit controller on a regular basis in conjunction with debt ageing and collection history.

#### **Interest Rate Risk**

The company finances its operations through a mixture of retained profits, finance leases and hire purchase contracts and bank borrowings. The company's exposure to interest rate fluctuations on its borrowings is managed by the use of both fixed and floating rate facilities.

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**ABBHEY LOGISTICS GROUP LIMITED**

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**STRATEGIC REPORT (CONTINUED)  
FOR THE PERIOD ENDED 27 JUNE 2020**

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**Directors' statement of compliance with duty to promote the success of the company**

The directors consider that they have acted in good faith to promote the success of the company for the benefit of its members as a whole. This has involved working closely with customers and suppliers to improve the level of service that the company has been able to provide, and not least during the COVID-19 situation, where continuity and efficiency of transport services has been vitally important in maintaining the UK food manufacturing supply chain under challenging circumstances. The directors believe that they have been able to generate high levels of employee engagement during the period through regular driver forums and ongoing learning and development plans, plus additional support measures during the development of the COVID-19 situation such as the distribution of employee health packs.

The directors believe that the improved financial and operating performance of the company has been achieved through working closely with customers, suppliers and employees in the period.

This report was approved by the board and signed on its behalf.

  
**M T Male**  
Director

Date: 27/11/2020

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## ABBEEY LOGISTICS GROUP LIMITED

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### DIRECTORS' REPORT FOR THE PERIOD ENDED 27 JUNE 2020

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The directors present their report and the financial statements for the period ended 27 June 2020.

#### Results and dividends

The loss for the period, after taxation, amounted to £1,543,504 (2019 - loss £3,043,765).

No dividends were paid or proposed in the period (2019: £Nil).

#### Directors

The directors who served during the period were:

D Coulson  
R M Ellis  
S Granite  
D Patten (appointed 12 September 2019)  
M T Male

#### Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make 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 company will continue in business.

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

#### Political contributions

No political donations were made in 2020 (2019: £Nil).

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## **ABBEEY LOGISTICS GROUP LIMITED**

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### **DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 27 JUNE 2020.**

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#### **Future developments**

Details of future developments can be found in the Strategic Report.

#### **Going concern**

The company reported an improved trading result during the period, including strong operating cash flow, and although the company was in a net liability position at the period end, the directors have prepared these financial statements on a going concern basis. Whilst the company reported an underlying operating loss for the period, the trading performance in the second-half was much improved and this performance has continued into the first quarter of the new financial year. At the time of signing these financial statements, the directors are pleased to note that the company has generated seven consecutive months of unaudited underlying operating profit. The directors have considered the current economic environment and have prepared trading and cash flow projections until at least 31 December 2021 including forecasted covenant compliance. These forecasts demonstrate that the company is able to generate sufficient cash flows to service its ongoing debt and business requirements as they become due.

The directors maintain a close watching brief on the COVID-19 pandemic situation and take comfort from the measures taken by the business in the first half of 2020 to protect margin and liquidity; these measures have contributed to an improving financial performance after the period end. The directors also note that the majority of the company's revenues are derived from the transportation of food ingredients and consider that the company is a key part of the UK food manufacturing supply-chain. Both the food production and transport sectors have been designated as having 'key worker' status by the UK Government and have attracted additional support in order to continue the normal functioning of the UK food manufacturing supply-chain.

The directors believe that the experience of the first 'lock-down' means that the company is well placed to deal with any issues and challenges that might arise subsequently. After the period end and at the time of signing these financial statements, the UK is in a second national 'lockdown'. Underlying volumes have not materially decreased in these early stages, but the directors note that the COVID-19 situation is a fluid one and therefore maintain a close watching brief on developments.

After careful consideration, the directors have concluded that they have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Therefore, the directors continue to adopt the going concern basis in preparing the financial statements.

#### **Employee involvement**

The company systematically provides employees with information on matters of concern to them, consulting them or their representatives regularly, so that their views can be taken into account when making decisions that are likely to affect their interests. Employee involvement in the company is encouraged, as achieving a common awareness on the part of all employees of the financial and economic factors affecting the company plays a major role in maintaining its competitive advantage. The company encourages the involvement of employees by means of regular communication and meetings.

#### **Disabled employees**

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

#### **Directors' indemnities**

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the financial year and remain in force at the date of this report.



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**ABBAY LOGISTICS GROUP LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE PERIOD ENDED 27 JUNE 2020**

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**Matters covered in the strategic report**

A discussion of the company's financial performance, financial position, risk management and key performance indicators have been disclosed in the Strategic report.

**Post balance sheet events**

There have been no significant events affecting the company since the year end.

**Disclosure of information to auditor**

The directors confirm that:

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

**Auditor**

The auditor, Grant Thornton UK LLP, was appointed subsequent to the year end will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



**M T Male**  
Director

Date: 27/11/2020



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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABBEY LOGISTICS GROUP LIMITED

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### Opinion

We have audited the financial statements of Abbey Logistics Group Limited (the 'company') for the period ended 27 June 2020, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity 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 Financial Reporting Standard 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 company's affairs as at 27 June 2020 and of its loss for the period 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.

### The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with these particular events.



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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABBEY LOGISTICS GROUP LIMITED  
(CONTINUED)**

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**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 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.

In our evaluation of the directors' conclusions, we considered the risks associated with the company's business model, including effects arising from macro-economic uncertainties such as Covid-19 and Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

**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.



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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABBEY LOGISTICS GROUP LIMITED  
(CONTINUED)**

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

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

- the information given in the Strategic report and the Directors' report for the financial period 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.

**Matter on which we are required to report under the Companies Act 2006**

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

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

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

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

**Responsibilities of directors for the financial statements**

As explained more fully in the Directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABBEY LOGISTICS GROUP LIMITED  
(CONTINUED)**

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

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

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

**Use of our report**

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

*Grant Thornton UK LLP*

Carl Williams  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Liverpool  
Date: 27/11/2020

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**ABBAY LOGISTICS GROUP LIMITED**

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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 27 JUNE 2020**

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	Note	2020 £	2019 £
Turnover	4	62,871,103	62,679,474
Cost of sales		(48,499,127)	(49,727,459)
<b>Gross profit</b>		<b>14,371,976</b>	<b>12,952,015</b>
Administrative expenses		(14,586,393)	(14,945,801)
Exceptional administrative expenses	11	(506,310)	(762,080)
<b>Operating loss</b>	5	<b>(720,727)</b>	<b>(2,755,866)</b>
Interest payable and expenses	9	(539,046)	(912,078)
<b>Loss before tax</b>		<b>(1,259,773)</b>	<b>(3,667,944)</b>
Tax on loss	10	(283,731)	624,179
<b>Loss for the financial period</b>		<b>(1,543,504)</b>	<b>(3,043,765)</b>

There was no other comprehensive income for 2020 (2019: £Nil).

The notes on pages 15 to 31 form part of these financial statements.

**ABBAY LOGISTICS GROUP LIMITED**  
**REGISTERED NUMBER:02484251**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 27 JUNE 2020**


	Note	27 June 2020 £	29 June 2019 £
<b>Fixed assets</b>			
Tangible assets	13	18,336,285	21,868,458
		<u>18,336,285</u>	<u>21,868,458</u>
<b>Current assets</b>			
Stocks	12	247,517	360,013
Debtors: amounts falling due after more than one year	14	93,576	618,453
Debtors: amounts falling due within one year	14	10,789,369	12,056,241
Cash at bank and in hand	15	6,506,921	1,320,893
		<u>17,637,383</u>	<u>14,355,600</u>
Creditors: amounts falling due within one year	16	(33,629,916)	(30,249,754)
<b>Net current liabilities</b>		<u>(15,992,533)</u>	<u>(15,894,154)</u>
<b>Total assets less current liabilities</b>		<u>2,343,752</u>	<u>5,974,304</u>
Creditors: amounts falling due after more than one year	17	(6,821,240)	(8,913,288)
<b>Provisions for liabilities</b>			
Other provisions	20	(163,700)	(163,700)
		<u>(163,700)</u>	<u>(163,700)</u>
<b>Net liabilities</b>		<u><u>(4,641,188)</u></u>	<u><u>(3,102,684)</u></u>

**ABBAY LOGISTICS GROUP LIMITED**  
**REGISTERED NUMBER:02484251**

**STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 27 JUNE 2020**

		27 June 2020 £	29 June 2019 £
	Note		
<b>Capital and reserves</b>			
Called up share capital	21	79,083	79,073
Share premium account	22	78,217	73,227
Capital redemption reserve	22	81,527	81,527
Profit and loss account	22	(4,880,015)	(3,336,511)
<b>Shareholders' deficit</b>		<u>(4,641,188)</u>	<u>(3,102,684)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

**M T Male**   
 Director

Date: 27/11/2020

The notes on pages 15 to 31 form part of these financial statements.



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**ABBAY LOGISTICS GROUP LIMITED**


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**STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 27 JUNE 2020**


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	Called up share capital £	Share premium account £	Capital redemption reserve £	Profit and loss account £	Total equity £
<b>At 30 June 2018</b>	<b>79,073</b>	<b>73,227</b>	<b>81,527</b>	<b>(292,746)</b>	<b>(58,919)</b>
<b>Comprehensive income for the year</b>					
Loss for the year	-	-	-	(3,043,765)	(3,043,765)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,043,765)</b>	<b>(3,043,765)</b>
<b>At 30 June 2019</b>	<b>79,073</b>	<b>73,227</b>	<b>81,527</b>	<b>(3,336,511)</b>	<b>(3,102,684)</b>
<b>Comprehensive income for the period</b>					
Loss for the period	-	-	-	(1,543,504)	(1,543,504)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,543,504)</b>	<b>(1,543,504)</b>
Shares issued during the period	10	-	-	-	10
Shares redeemed during the period	-	4,990	-	-	4,990
<b>At 27 June 2020</b>	<b>79,083</b>	<b>78,217</b>	<b>81,527</b>	<b>(4,880,015)</b>	<b>(4,641,188)</b>

The notes on pages 15 to 31 form part of these financial statements.

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## ABBHEY LOGISTICS GROUP LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 27 JUNE 2020

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#### 1. General information

Abbey Logistics Group Limited is a private company limited by shares and is incorporated in England and Wales. The address of the registered office is Suite 11, Stone Cross Place, Stone Cross Lane North, Lowton, Warrington, WA3 2SH. The nature of the company's operations and its principal activities are set out in the strategic report.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The financial statements are presented in Pounds Sterling (£), the company's functional currency.

The following principal accounting policies have been applied:

##### 2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Axle Topco Limited as at 30 June 2020 and these financial statements may be obtained from Companies House.

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**ABBEEY LOGISTICS GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 27 JUNE 2020**

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**2. Accounting policies (continued)**

**2.3 Going concern**

The company reported an improved trading result during the period, including strong operating cash flow, and although the company was in a net liability position at the period end, the directors have prepared these financial statements on a going concern basis. Whilst the company reported an underlying operating loss for the period, the trading performance in the second-half was much improved and this performance has continued into the first quarter of the new financial year. At the time of signing these financial statements, the directors are pleased to note that the company has generated seven consecutive months of unaudited underlying operating profit. The directors have considered the current economic environment and have prepared trading and cash flow projections until at least 31 December 2021 including forecasted covenant compliance. These forecasts demonstrate that the company is able to generate sufficient cash flows to service its ongoing debt and business requirements as they become due.

The directors maintain a close watching brief on the COVID-19 pandemic situation and take comfort from the measures taken by the business in the first half of 2020 to protect margin and liquidity; these measures have contributed to an improving financial performance after the period end. The directors also note that the majority of the company's revenues are derived from the transportation of food ingredients and consider that the company is a key part of the UK food manufacturing supply-chain. Both the food production and transport sectors have been designated as having 'key worker' status by the UK Government and have attracted additional support in order to continue the normal functioning of the UK food manufacturing supply-chain.

The directors believe that the experience of the first 'lock-down' means that the company is well placed to deal with any issues and challenges that might arise subsequently. After the period end and at the time of signing these financial statements, the UK is in a second national 'lockdown'. Underlying volumes have not materially decreased in these early stages, but the directors note that the COVID-19 situation is a fluid one and therefore maintain a close watching brief on developments.

After careful consideration, the directors have concluded that they have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Therefore, the directors continue to adopt the going concern basis in preparing the financial statements.

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**ABBEEY LOGISTICS GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 27 JUNE 2020**

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**2. Accounting policies (continued)**

**2.4 Foreign currency translation**

**Functional and presentation currency**

The company's functional and presentational currency is GBP.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

**2.5 Turnover**

Turnover 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. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

**Rendering of services**

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

**2.6 Finance costs**

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

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**ABBEEY LOGISTICS GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 27 JUNE 2020**

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**2. Accounting policies (continued)**

**2.7 Borrowing costs**

All borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

**2.8 Pensions**

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

**2.9 Current and deferred taxation**

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

**2.10 Exceptional items**

Exceptional items are transactions that fall within the ordinary activities of the company but are presented separately due to their size or incidence.

**2.11 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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**ABBEEY LOGISTICS GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 27 JUNE 2020**

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**2. Accounting policies (continued)****2.11 Tangible fixed assets (continued)**

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	- 3-5 years
Motor vehicles	- 3-5 years
Fixtures and fittings	- 5 years
IT equipment	- 3 years
Tractors and tanks	- 7-12 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Residual value represents the estimated amount which would be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

**2.12 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Statement of comprehensive income.

**2.13 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.14 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**2.15 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

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ABBEEY LOGISTICS GROUP LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 27 JUNE 2020

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2. Accounting policies (continued)

2.16 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

2.17 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

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**ABBEY LOGISTICS GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 27 JUNE 2020**

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**2. Accounting policies (continued)**

**2.17 Financial instruments (continued)**

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**3. Judgements in applying accounting policies and key sources of estimation uncertainty**

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The items in the financial statements where judgement is required are:

**- Bad debt provision**

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of the debtors and historical experience. See note 14 of the net carrying amount of the debtors and associated impairment provision.

**- Useful economic lives of assets**

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect the current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 13 for the carrying amount of the property plant and equipment, and note 1(c) for the useful economic lives for each class of assets.

**- Deferred tax asset**

A deferred tax asset has been recognised in the current period, recognition has been based on detailed board approved cash flow forecasts and P&L budget models showing future profitability.



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**ABBEEY LOGISTICS GROUP LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 27 JUNE 2020**


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**4. Turnover**

An analysis of turnover by class of business is as follows:

	2020 £	2019 £
Haulage	59,988,309	60,461,223
Warehousing	2,882,794	2,218,251
	<u>62,871,103</u>	<u>62,679,474</u>

Analysis of turnover by country of destination:

	2020 £	2019 £
UK	61,423,937	59,522,969
Europe	1,447,166	3,156,505
	<u>62,871,103</u>	<u>62,679,474</u>

European countries include Belgium, France, Germany, Holland and Ireland.

**5. Operating loss**

The operating loss is stated after charging:

	2020 £	2019 £
Depreciation of tangible assets	4,793,462	5,228,526
Operating lease charges	1,544,044	983,785
Inventory recognised as expense	11,636,958	12,263,244
Loss on disposal of fixed assets	265,821	123,014
Pension costs	560,439	367,154
	<u>18,799,724</u>	<u>18,965,723</u>

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**ABBEY LOGISTICS GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 27 JUNE 2020**

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**6. Auditor's remuneration**

	2020 £	2019 £
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	-	47,000

The audit fee has been disclosed in Axle Topco Limited's consolidated financial statements, the company's ultimate parent undertaking.

**7. Employees**

Staff costs, including directors' remuneration, were as follows:

	2020 £	2019 £
Wages and salaries	21,358,607	20,716,033
Social security costs	2,231,099	2,214,367
Pension costs	560,439	367,154
	<u>24,150,145</u>	<u>23,297,554</u>

The average monthly number of employees, including the directors, during the period was as follows:

	2020 No.	2019 No.
Administration and haulage	<u>608</u>	<u>608</u>

**8. Directors' remuneration**

	2020 £	2019 £
Directors' emoluments	747,255	777,522
Directors pension costs	10,190	28,644
	<u>757,445</u>	<u>806,166</u>

During the period retirement benefits were accruing to 3 directors (2019 - 5) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £203,995 (2019 - £179,363).

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**ABBEEY LOGISTICS GROUP LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 27 JUNE 2020**


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**9. Interest payable and similar expenses**

	2020 £	2019 £
Bank interest payable	49,539	190,335
Finance leases and hire purchase contracts	489,507	721,743
	<u>539,046</u>	<u>912,078</u>

**10. Taxation**

	2020 £	2019 £
<b>Corporation tax</b>		
Adjustments in respect of previous periods	(60,216)	-
	<u>(60,216)</u>	<u>-</u>
<b>Total current tax</b>	<u>(60,216)</u>	<u>-</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	313,106	(665,237)
Adjustment in respect of previous periods	92,695	(28,967)
Effect of changes in tax rates	(61,854)	70,025
<b>Total deferred tax</b>	<u>343,947</u>	<u>(624,179)</u>
<b>Taxation on loss on ordinary activities</b>	<u>283,731</u>	<u>(624,179)</u>

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**ABBEEY LOGISTICS GROUP LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 27 JUNE 2020**


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**10. Taxation (continued)****Factors affecting tax charge for the period**

The tax assessed for the period is higher than (2019 - *higher than*) the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	2020 £	2019 £
Loss on ordinary activities before tax	<u>(1,259,773)</u>	<u>(3,667,944)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	(241,957)	(696,909)
<b>Effects of:</b>		
Expenses not deductible for tax purposes	9,535	31,672
Adjustments in respect of previous periods	32,479	(28,967)
Adjustments to deferred tax rates	(61,854)	70,025
Group relief surrendered	545,528	-
<b>Total tax charge/ (credit) for the period</b>	<u><b>283,731</b></u>	<u><b>(624,179)</b></u>

**11. Exceptional items**

	2020 £	2019 £
Exceptional costs	<u>506,310</u>	<u>762,080</u>

Exceptional costs have been incurred in the period relating to a management restructure. Due to their nature and magnitude, these costs have been disclosed separately.

**12. Stocks**

	27 June 2020 £	29 June 2019 £
Fuel and other consumables	<u>247,517</u>	<u>360,013</u>

There is no significant difference between the replacement cost of fuel and other consumables and their carrying value. Stocks are stated after provision for impairment of £Nil (2019: £Nil).

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**ABBEEY LOGISTICS GROUP LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
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**13. Tangible fixed assets**

	Plant and machinery £	Motor vehicles £	Fixtures, fittings & IT equipment £	Tractors and tanks £	Total £
<b>Cost or valuation</b>					
At 30 June 2019	2,362,937	167,158	1,585,617	45,731,416	49,847,128
Additions	246,366	-	313,785	1,143,070	1,703,221
Disposals	-	(16,965)	(31,766)	(3,141,149)	(3,189,880)
At 27 June 2020	<u>2,609,303</u>	<u>150,193</u>	<u>1,867,636</u>	<u>43,733,337</u>	<u>48,360,469</u>
<b>Depreciation</b>					
At 30 June 2019	1,240,241	135,481	852,426	25,750,522	27,978,670
Charge for the period	371,399	9,448	336,912	4,075,703	4,793,462
Disposals	-	(10,818)	(15,956)	(2,721,174)	(2,747,948)
At 27 June 2020	<u>1,611,640</u>	<u>134,111</u>	<u>1,173,382</u>	<u>27,105,051</u>	<u>30,024,184</u>
<b>Net book value</b>					
At 27 June 2020	<u>997,663</u>	<u>16,082</u>	<u>694,254</u>	<u>16,628,286</u>	<u>18,336,285</u>
At 29 June 2019	<u>1,122,696</u>	<u>31,677</u>	<u>733,191</u>	<u>19,980,894</u>	<u>21,868,458</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	27 June 2020 £	29 June 2019 £
Tractor unit and tanks	12,190,509	14,547,258
	<u>12,190,509</u>	<u>14,547,258</u>

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**ABBEEY LOGISTICS GROUP LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 27 JUNE 2020**


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**14. Debtors**

	27 June 2020 £	29 June 2019 £
<b>Due after more than one year</b>		
Deferred taxation	93,576	618,453
	<u>93,576</u>	<u>618,453</u>
	27 June 2020 £	29 June 2019 £
<b>Due within one year</b>		
Trade debtors	10,027,425	9,682,204
Other debtors	4,671	339,293
Called up share capital not paid	4,158	-
Prepayments and accrued income	572,185	2,034,744
Deferred taxation	180,930	-
	<u>10,789,369</u>	<u>12,056,241</u>

Amounts owed by group undertakings are unsecured, do not bear interest, have no fixed date of repayment, and are repayable on demand.

Trade debtors are stated after provision for impairment £225,592 (2019: £157,189)

**15. Cash and cash equivalents**

	27 June 2020 £	29 June 2019 £
Cash at bank and in hand	6,506,921	1,320,893
Less: bank overdrafts	-	(1,495,000)
	<u>6,506,921</u>	<u>(174,107)</u>

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**ABBAY LOGISTICS GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 27 JUNE 2020**

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**16. Creditors: Amounts falling due within one year**

	27 June 2020 £	29 June 2019 £
Bank loans and overdrafts	-	1,495,000
Invoice financing facility	7,658,349	7,218,553
Trade creditors	3,523,175	5,276,457
Amounts owed to group undertakings	10,001,022	6,766,040
Other taxation and social security	5,822,470	2,411,825
Obligations under finance lease and hire purchase contracts	3,837,060	5,020,351
Other creditors	101,974	1,701
Accruals and deferred income	2,685,866	2,059,827
	<u>33,629,916</u>	<u>30,249,754</u>

Amounts owed to group undertakings are unsecured, do not bear interest, have no fixed date of repayment, and are repayable on demand.

The invoice financing facility is secured on the trade debtor balance of the company.

Obligations under finance leases and hire purchase contracts are secured against the assets to which they relate.

**17. Creditors: Amounts falling due after more than one year**

	27 June 2020 £	29 June 2019 £
Obligations under finance leases and hire purchase contracts	<u>6,821,240</u>	<u>8,913,288</u>

Obligations under finance leases and hire purchase contracts are secured against the assets to which they relate.

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**ABBAY LOGISTICS GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 27 JUNE 2020**

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**18. Hire purchase and finance leases**

Minimum lease payments under hire purchase fall due as follows:

	27 June 2020 £	29 June 2019 £
Less than one year	3,837,060	5,020,351
Between one and five years	6,821,240	8,001,120
After five years	-	912,164
	<u>10,658,300</u>	<u>13,933,635</u>

**19. Deferred taxation**

	2020 £	2019 £
At beginning of year	618,453	(5,726)
Credited to statement of comprehensive income	(343,947)	595,212
Adjustment in respect of prior years	-	28,967
<b>At end of year</b>	<u><b>274,506</b></u>	<u><b>618,453</b></u>

The deferred tax asset is made up as follows:

	27 June 2020 £	29 June 2019 £
Fixed asset timing differences	145,920	49,086
Short term timing differences	24,743	44,969
Losses and other deductions	103,843	524,398
	<u><b>274,506</b></u>	<u><b>618,453</b></u>



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**ABBEY LOGISTICS GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 27 JUNE 2020**

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**20. Provisions**

	Dilapidations £
At 30 June 2019	163,700
At 27 June 2020	<u>163,700</u>

**21. Share capital**

	27 June 2020 £	29 June 2019 £
<b>Allotted, called up and fully paid</b>		
79,073 (2019 - 79,073) Ordinary shares of £1.00 each	79,073	79,073
1,000 (2019 - 0) Ordinary G shares shares of £0.01 each	10	-
	<u>79,083</u>	<u>79,073</u>

On 25 June 2020, 1,000 G ordinary shares of £0.01p were issued to management at a premium of £4.99 per share.

**22. Reserves**

**Share premium account**

Includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

**Capital redemption reserve**

A non-distributable reserve, following the redemption or purchase of the company's own shares.

**Profit and loss account**

Includes all current and prior periods retained profits and losses.

**23. Contingent liabilities**

The directors have confirmed that there were no contingent liabilities at 27 June 2020 (2019: None).

**24. Capital commitments**

The directors have confirmed that there were capital commitments of £2,043,000 at 27 June 2020 in relation to tractor units and tanks.

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**ABBEEY LOGISTICS GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 27 JUNE 2020**

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**25. Pension commitments**

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £560,439 (2019: £367,154). Contributions totalling £174,370 (2019: £164,523) were payable to the fund at the Statement of financial position date and are included in other creditors.

**26. Commitments under operating leases**

At 27 June 2020 the company had future minimum lease payments under non-cancellable operating leases as follows:

	27 June 2020 £	29 June 2019 £
Within one year	2,127,264	1,507,094
Between one and five years	3,744,151	5,265,795
After five years	-	456,302
	<u>5,871,415</u>	<u>7,229,191</u>

**27. Related party transactions**

Advantage has been taken of the exemption under FRS 102 not to disclose transactions with members of the same group that are wholly owned.

**28. Controlling party**

The immediate parent company is Axle Bidco Limited and the ultimate parent company is Axle Topco Limited. NorthEdge Capital LLP are the ultimate controlling party by virtue of its majority interest in the issued share capital of Axle Topco Limited.

Axle Topco Limited is the largest and smallest group in which the results of the Company are consolidated. Copies of the consolidated financial statements can be obtained from Companies House.