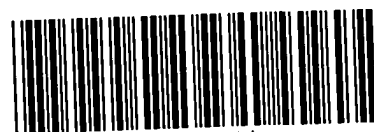


ABBHEY LOGISTICS GROUP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 2 JULY 2022

TUESDAY



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COMPANIES HOUSE

ABBEEY LOGISTICS GROUP LIMITED

COMPANY INFORMATION

Directors	D Coulson (resigned 6 May 2022) R M Ellis S Granite D Patten M T Male Josette Saville (appointed 5 October 2022)
Registered number	02484251
Registered office	Suite 11 Stone Cross Place Stone Cross Lane North Lowton Warrington WA3 2SH
Independent auditor	Grant Thornton UK LLP Chartered Accountants Statutory Auditor Royal Liver Building Liverpool L3 1PS
Bankers	HSBC UK Bank Plc 4 Hardman Square Spinningfields Manchester M3 3EB
Solicitors	Pinsent Masons LLP 3 Hardman Square Spinningfields Manchester M3 3AU

ABBHEY LOGISTICS GROUP LIMITED

CONTENTS

	Page
Strategic report	1 - 3
Directors' report	4 - 7
Independent auditor's report	8 - 12
Statement of comprehensive income	13
Statement of financial position	14 - 15
Statement of changes in equity	16
Notes to the financial statements	17 - 35

ABBEEY LOGISTICS GROUP LIMITED

**STRATEGIC REPORT
FOR THE PERIOD ENDED 2 JULY 2022**

The directors present their Strategic Report on the company for the period ended 2 July 2022.

Review of the business and future developments

The company is principally engaged in the provision of logistics services in the UK and Europe.

The business delivered turnover from continuing activities of £67.5m for the period to 2 July 2022 ("FY22"), representing an increase of almost 5% on the prior year (period to 3 July 2021 ("FY21") (£64.4m)). This turnover increase was generated through having close working partnerships with our customers and is considered to be a strong performance in the context of the continuation of uncertain trading conditions arising from global supply chain disruptions caused by the COVID-19 pandemic as well as the start of the war in Ukraine in early 2022.

During the summer of 2021, the logistics sector as a whole faced challenges over the availability of drivers. This was driven by a combination of the effects of COVID-19 over the past few years, Brexit and a structural shortage of drivers in the industry. The directors responded to these issues by providing a very competitive annual pay increase to drivers to ensure that pay rates remained very attractive in the market place, whilst also investing in recruitment and training to ensure that the business was able to recruit, train and retain the best talent.

Both the driver availability issues of the summer of 2021 and the rapid increase in the cost of fuel seen from March to June 2022 had a temporary negative impact on reported profitability in the period, with Reported EBITDA of £7.4m being generated. The directors consider annual Underlying EBITDA to be closer to £8.4m and this has been borne out by the trading results for the first quarter to September 2022 of the new financial year.

The directors note the continuing efforts and dedication shown by company employees in responding to uncertain trading conditions. They have ensured that the business has continued to react quickly and effectively in continuing to play its important role in supporting the UK supply chain whilst also delivering a strong operating performance.

The company's customer base remained stable during the period and included the formal renewal of certain key customer contracts. The directors are pleased to note that the company invested almost £6m in capital expenditure in new fleet, washbay and IT during the period to support the service levels provided to customers in this period and on an ongoing basis.

The company has benefited from having a settled senior management team in place for almost four years and this stability has correlated with an improved financial performance being reported over this period. Towards the end of the financial year, Dave Coulson retired from the business after almost 30 years of dedicated service. The directors would like to place on record thanks and appreciation to Dave for his service and wish him a long and happy retirement. The directors would also like to formally welcome Josette Saville, who joined the business as Sales Director in 2022 and has taken over Dave's role and responsibilities.

The directors believe that the company is well placed to take advantage of considerable opportunities for growth in the years to come and will consider carefully suitable organic growth opportunities, both in the UK and Europe.

ABBHEY LOGISTICS GROUP LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE PERIOD ENDED 2 JULY 2022**

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.

ABBAY LOGISTICS GROUP LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE PERIOD ENDED 2 JULY 2022**

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 ensure continuity of supply through trading conditions that have been made uncertain due to the evolving COVID-19 situation. The directors believe that they have been able to generate high levels of employee engagement during the period through providing regular business performance communication, flexible working practices and ongoing learning and development support.

The directors believe that the improved financial and operating performance of the company has been achieved through developing close working relationships 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: 4/11/2022

ABBEEY LOGISTICS GROUP LIMITED

**DIRECTORS' REPORT
FOR THE PERIOD ENDED 2 JULY 2022**

The directors present their report and the financial statements for the period ended 2 July 2022.

Results and dividends

The profit for the period, after taxation, amounted to £1,546,415 (2021: £2,545,559).

No dividends were paid or proposed in the period (2021: £Nil).

Directors

The directors who served during the period were:

D Coulson (resigned 6 May 2022)
R M Ellis
S Granite
D Patten
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 2022 (2021: £Nil).

ABBAY LOGISTICS GROUP LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 2 JULY 2022**

Future developments

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

Going concern

The company reported another period of strong operating profits and operating cash flows despite an uncertain trading environment. The profit generated for the financial period has significantly reduced the net liability position at the period end.

The directors have prepared these financial statements on a going concern basis.

The directors have considered the current economic environment and have prepared trading and cash flow projections until 31 December 2023, 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 are confident that the actions taken in the past few years, notably around driver recruitment and retention, put the business in a strong position in being able to respond to changing market conditions.

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.

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.

ABBEEY LOGISTICS GROUP LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 2 JULY 2022

Statement by the directors on performance of their statutory duties in accordance with S172 (1) of the companies act 2006.

Section 172 of the Companies Act 2006 requires the directors of a company to act in a way that they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- a) the likely consequences of any decision in the long term;
- b) the interests of the company's employees;
- c) the need to foster the company's business relationships with suppliers, customers and others;
- d) the impact of the company's operations on the community and the environment;
- e) the desirability of the company maintaining a reputation for high standards of business conduct; and
- f) the need to act fairly as between members of the company.

As part of their induction, a director is briefed on their duties and they can access professional advice on these, either from the company Secretary or, if they judge it necessary, from an independent advisor. The Board confirms that, during the year, it has had regard to the matters set out above. Further details as to how the directors have fulfilled their duties, together with references to relevant areas within these financial statements are set out below.

Streamlined Energy and Carbon Reporting

The SECR disclosure presents the group's carbon footprint within the UK across Scope 1 and 2 emissions and total energy use of electricity, gas and transport fuel.

	Year to 2 July 2022 £	Year to 3 July 2021 £
Energy consumption used to calculate emissions (kWh)	116,874,373	120,020,097
Emissions from combustion of gas (tCO ₂ e) (Scope 1)	13	18
Emissions from combustion of fuel for transport purposes (tCO ₂ e) (Scope 1)	27,997	28,220
Emissions from purchased electricity (tCO ₂ e) (Scope 2, location based)	137	166
Total gross tCO ₂ e based on above	28,146	28,404

Abbey Logistics group have elected to use Scope 1 and 2 CO₂e (tonnes) by number of vehicles in the fleet. We have chosen the metric as this is a common business metric for the industry sector.

	Year to 2 July 2022 £	Year to 3 July 2021 £
Tonnes of Scope 1 and Scope 2 CO ₂ e per vehicle	94	98
Tonnes of Scope 1 road transport fuel CO ₂ e per vehicle	93	97

This disclosure has been prepared in line with the group's period end of 2 July 2022.

CO₂e per vehicle has decreased due to better utilisation of vehicles in the fleet as well as the ongoing investment in new fleet.

ABBAY LOGISTICS GROUP LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 2 JULY 2022**

Energy Efficiency Action Summary

The group invests in technology that tracks vehicle performance in order to promote the efficient usage of fuel. The group also invests in tractor units at the efficient Euro VI specification.

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, 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: 4/11/2022



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

Opinion

We have audited the financial statements of Abbey Logistics Group Limited (the 'company') for the period from 04 July 2021 to 02 July 2022, 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 2 July 2022 and of its profit 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.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.



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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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



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

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, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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



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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the company and the industry in which it operates. We determined that the most significant laws and regulations is the Companies Act 2006.
- We obtained an understanding of how the company is complying with those legal and regulatory frameworks by making inquiries of management and those responsible for legal and compliance procedures. We corroborated our inquiries through our review of board minutes.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the group engagement team included:
 - Evaluation of the processes and controls established to address the risks related to irregularities and fraud;
 - Making inquiries, in respect of fraud, of those outside the finance team, including key management and the board;
 - Challenging assumptions and judgements made by management in the company's significant accounting estimates;
 - Identifying and testing unusual journal entries; and
 - Identifying and testing related party transactions.
- The assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's knowledge of the industry in which the company operates, and the understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation.
- The engagement team's discussions in respect of potential non-compliance with laws and regulations and fraud included the risk of fraud in revenue recognition.
- In assessing the potential risks of material misstatement, we obtained an understanding of:
 - The company's operations, including the nature of its revenue sources, expected financial statement disclosures and business risks that may result in risk of material misstatement; and
 - The company's control environment including the adequacy of procedures for authorisation of transactions



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

- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;

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 FCCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Liverpool
Date: 4/11/2022

ABBAY LOGISTICS GROUP LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 2 JULY 2022**

		2 July 2022 £	<i>Period ended 3 July 2021 £</i>
	Note		
Turnover	4	67,524,529	64,384,472
Cost of sales		(50,717,666)	(46,118,260)
Gross profit		16,806,863	18,266,212
Administrative expenses		(13,814,164)	(14,107,089)
Exceptional administrative expenses	11	(731,999)	(676,633)
Operating profit	5	2,260,700	3,482,490
Interest payable and similar expenses	9	(565,134)	(717,026)
Profit before tax		1,695,566	2,765,464
Tax on profit	10	(149,151)	(219,905)
Profit for the financial period		1,546,415	2,545,559

There was no other comprehensive income for 2022 (2021: £Nil).

The notes on pages 17 to 35 form part of these financial statements.

ABBAY LOGISTICS GROUP LIMITED
REGISTERED NUMBER:02484251

STATEMENT OF FINANCIAL POSITION
AS AT 2 JULY 2022

	Note	2 July 2022 £	3 July 2021 £
Fixed assets			
Intangible assets	12	980,552	-
Tangible assets	14	18,550,905	18,820,892
		<u>19,531,457</u>	<u>18,820,892</u>
Current assets			
Stocks	13	345,204	269,705
Debtors: amounts falling due within one year	15	9,908,458	9,263,965
Cash at bank and in hand	16	4,949,095	4,508,951
		<u>15,202,757</u>	<u>14,042,621</u>
Creditors: amounts falling due within one year	17	(28,022,239)	(27,633,485)
Net current liabilities		<u>(12,819,482)</u>	<u>(13,590,864)</u>
Total assets less current liabilities		<u>6,711,975</u>	<u>5,230,028</u>
Creditors: amounts falling due after more than one year	18	(7,034,570)	(7,161,957)
Provisions for liabilities			
Deferred tax	20	(97,266)	-
Other provisions	21	(124,353)	(163,700)
		<u>(221,619)</u>	<u>(163,700)</u>
Net liabilities		<u><u>(544,214)</u></u>	<u><u>(2,095,629)</u></u>

ABBAY LOGISTICS GROUP LIMITED
REGISTERED NUMBER:02484251

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 2 JULY 2022

		2 July 2022 £	3 July 2021 £
Capital and reserves	Note		
Called up share capital	22	79,093	79,083
Share premium account	23	83,207	78,217
Capital redemption reserve	23	81,527	81,527
Profit and loss account	23	(788,041)	(2,334,456)
		<u>(544,214)</u>	<u>(2,095,629)</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: 4/11/2022

The notes on pages 17 to 35 form part of these financial statements.

ABBAY LOGISTICS GROUP LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 2 JULY 2022**

	Called up share capital £	Share premium account £	Capital redemption reserve £	Profit and loss account £	Total equity £
At 27 June 2020	79,083	78,217	81,527	(4,880,015)	(4,641,188)
Comprehensive income for the period					
Profit for the period	-	-	-	2,545,559	2,545,559
Total comprehensive income for the period	-	-	-	2,545,559	2,545,559
At 3 July 2021	79,083	78,217	81,527	(2,334,456)	(2,095,629)
Comprehensive income for the period					
Profit for the period	-	-	-	1,546,415	1,546,415
Total comprehensive income for the period	-	-	-	1,546,415	1,546,415
Shares issued during the period	10	4,990	-	-	5,000
At 2 July 2022	79,093	83,207	81,527	(788,041)	(544,214)

The notes on pages 17 to 35 form part of these financial statements.

ABBAY LOGISTICS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 2 JULY 2022**

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 2 July 2022 and these financial statements may be obtained from Companies House.

ABBEEY LOGISTICS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 2 JULY 2022**

2. Accounting policies (continued)

2.3 Going concern

The company reported another period of strong operating profits and operating cash flows despite an uncertain trading environment. The profit generated for the financial period has significantly reduced the net liability position at the period end.

The directors have prepared these financial statements on a going concern basis.

The directors have considered the current economic environment and have prepared trading and cash flow projections until 31 December 2023, 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 are confident that the actions taken in the past few years, notably around driver recruitment and retention, put the business in a strong position in being able to respond to changing market conditions.

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.

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'.

ABBEEY LOGISTICS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 2 JULY 2022**

2. Accounting policies (continued)

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.

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.

ABBEEY LOGISTICS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 2 JULY 2022**

2. Accounting policies (continued)

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 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of comprehensive income over its useful economic life of 20 years.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a 20 year useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Where trade and asset acquisitions are immediately subsumed into the existing business the tangible assets acquired are monitored for indicators of impairment. Should any indicators arise from this monitoring then the goodwill acquired from that acquisition is then considered for impairment.

ABBEEY LOGISTICS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 2 JULY 2022**

2. Accounting policies (continued)**2.12 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.

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, fittings and IT	- 3-5 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 was 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.

2.13 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.

2.14 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.

2.15 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.

ABBHEY LOGISTICS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 2 JULY 2022**

2. Accounting policies (continued)

2.16 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.

2.17 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.

ABBEEY LOGISTICS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 2 JULY 2022**

2. Accounting policies (continued)

2.18 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.

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.

ABBAY LOGISTICS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 2 JULY 2022**

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 15 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 14 for the carrying amount of the property plant and equipment, and note 2.12 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.

ABBAY LOGISTICS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 2 JULY 2022**

4. Turnover

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

	2022 £	2021 £
Haulage	65,332,102	62,084,436
Warehousing	2,192,427	2,300,036
	<u>67,524,529</u>	<u>64,384,472</u>

Analysis of turnover by country of destination:

	2022 £	2021 £
UK	65,860,275	62,797,610
Europe	1,664,254	1,586,862
	<u>67,524,529</u>	<u>64,384,472</u>

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

5. Operating profit

The operating profit is stated after charging / (crediting):

	2022 £	2021 £
Depreciation on hire purchase assets	2,803,918	2,878,794
Depreciation on other tangible assets	1,945,664	1,848,447
Amortisation of intangible assets	56,111	-
Operating lease charges	2,160,991	1,808,707
Inventory recognised as expense	13,449,611	11,434,902
Profit on disposal of fixed assets	(92,143)	(50,391)
Pension costs	739,560	647,138
	<u>739,560</u>	<u>647,138</u>

ABBAY LOGISTICS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 2 JULY 2022**

6. Auditor's remuneration

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:

	2022	2021
	£	£
Wages and salaries	22,321,961	21,229,025
Social security costs	2,276,027	2,169,747
Cost of defined contribution scheme	739,560	647,138
	25,337,548	24,045,910

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

	2022	2021
	No.	No.
Administration and haulage	585	578

8. Directors' remuneration

	2022	2021
	£	£
Directors' emoluments	592,733	753,317
Company contributions to defined contribution pension schemes	36,692	32,758
	629,425	786,075

During the period retirement benefits were accruing to 5 directors (2021: 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £150,772 (2021: £191,047).

ABBAY LOGISTICS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 2 JULY 2022**

9. Interest payable and similar expenses

	2022 £	2021 £
Bank interest payable	98,689	179,010
Finance leases and hire purchase contracts	466,445	538,016
	<u>565,134</u>	<u>717,026</u>

10. Taxation

	2022 £	2021 £
Corporation tax		
Adjustments in respect of previous periods	(3,917)	1,201
	<u>(3,917)</u>	<u>1,201</u>
Total current tax	<u>(3,917)</u>	<u>1,201</u>
Deferred tax		
Origination and reversal of timing differences	213,955	123,606
Adjustment in respect of previous periods	1,571	(276)
Effect of changes in tax rates	(62,458)	95,374
Total deferred tax	<u>153,068</u>	<u>218,704</u>
Taxation on profit on ordinary activities	<u>149,151</u>	<u>219,905</u>

ABBAY LOGISTICS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 2 JULY 2022**

10. Taxation (continued)

Factors affecting tax charge for the period

The tax assessed for the period is lower than (2021: *lower than*) the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

	2022 £	2021 £
Profit on ordinary activities before tax	<u>1,695,566</u>	<u>2,765,464</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	322,157	525,438
Effects of:		
Expenses not deductible for tax purposes	23,555	11,396
Adjustments in respect of previous periods	(2,346)	925
Income not taxable	(7,172)	(1,201)
Group relief surrendered	-	(412,028)
Tax rate changes	(62,458)	95,375
Enhanced first year capital allowances	(124,585)	-
Total tax charge for the period	<u><u>149,151</u></u>	<u><u>219,905</u></u>

11. Exceptional items

	2022 £	2021 £
Additional costs incurred in relation to responding to the COVID-19 pandemic	-	590,445
Additional costs incurred in relation to the industry driver availability issues	446,389	-
Consulting costs in relation to certain strategic projects	214,355	5,000
One off costs in relation to certain trading relationships	71,255	81,188
	<u><u>731,999</u></u>	<u><u>676,633</u></u>

Due to their nature and magnitude, these exceptional costs have been disclosed separately.

ABBAY LOGISTICS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 2 JULY 2022**

12. Intangible assets

	Goodwill £
Cost	
Acquisition of certain trade and assets of Welch Hire Ltd and Bridgwater Tankwash Ltd	1,036,663
At 2 July 2022	1,036,663
Amortisation	
Charge for the period on owned assets	56,111
At 2 July 2022	56,111
Net book value	
At 2 July 2022	980,552
At 3 July 2021	-

On 9 July 2021, Abbey Logistics Group Ltd acquired the trade and certain assets of Welch Hire, a transport and tanker hire business based in Bridgwater, Somerset. Consideration of £1.95m was paid in cash for goodwill and fixed assets. Goodwill is being amortised on a straight line basis over its useful economic life of 20 years.

As the business was a trade and assets acquisition those trade and assets were immediately subsumed into the existing business therefore it is not possible to accurately disclose any post acquisition trading and cash flows generated from the acquisition.

13. Stocks

	2 July 2022 £	3 July 2021 £
Fuel and other consumables	345,204	269,705

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 (2021: £Nil).

ABBEEY LOGISTICS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 2 JULY 2022**

14. Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Fixtures, fittings & IT equipment £	Tractors and tanks £	Total £
Cost or valuation					
At 4 July 2021	2,157,396	150,193	2,039,582	43,770,640	48,117,811
Additions	78,270	-	293,927	4,318,298	4,690,495
Disposals	-	-	-	(2,019,825)	(2,019,825)
At 2 July 2022	<u>2,235,666</u>	<u>150,193</u>	<u>2,333,509</u>	<u>46,069,113</u>	<u>50,788,481</u>
Depreciation					
At 4 July 2021	1,529,795	141,638	1,485,420	26,140,066	29,296,919
Charge for the period on owned assets	184,012	7,292	242,965	4,315,313	4,749,582
Disposals	-	-	-	(1,808,925)	(1,808,925)
At 2 July 2022	<u>1,713,807</u>	<u>148,930</u>	<u>1,728,385</u>	<u>28,646,454</u>	<u>32,237,576</u>
Net book value					
At 2 July 2022	<u>521,859</u>	<u>1,263</u>	<u>605,124</u>	<u>17,422,659</u>	<u>18,550,905</u>
At 3 July 2021	<u>627,601</u>	<u>8,555</u>	<u>554,162</u>	<u>17,630,574</u>	<u>18,820,892</u>

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

	2 July 2022 £	3 July 2021 £
Tractors and tanks	<u>10,951,719</u>	<u>11,461,095</u>

ABBAY LOGISTICS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 2 JULY 2022**

15. Debtors

	2 July 2022 £	3 July 2021 £
Trade debtors	8,829,554	8,191,058
Other debtors	453,509	178,237
Called up share capital not paid	4,158	4,158
Prepayments and accrued income	612,592	829,590
Tax recoverable	8,645	5,120
Deferred taxation	-	55,802
	<u>9,908,458</u>	<u>9,263,965</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 £56,000 (2021: £159,683)

16. Cash and cash equivalents

	2 July 2022 £	3 July 2021 £
Cash at bank and in hand	<u>4,949,095</u>	<u>4,508,951</u>

ABBEY LOGISTICS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 2 JULY 2022**

17. Creditors: Amounts falling due within one year

	2 July 2022 £	3 July 2021 £
Other loans	7,078,466	6,408,114
Trade creditors	5,531,295	4,322,817
Amounts owed to group undertakings	7,262,738	8,542,752
Corporation tax	-	3,918
Other taxation and social security	2,010,942	1,847,921
Obligations under finance lease and hire purchase contracts	3,245,421	3,309,080
Accruals and deferred income	2,893,377	3,198,883
	<u>28,022,239</u>	<u>27,633,485</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 included in other loans 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.

18. Creditors: Amounts falling due after more than one year

	2 July 2022 £	3 July 2021 £
Net obligations under finance leases and hire purchase contracts	<u>7,034,570</u>	<u>7,161,957</u>

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

ABBAY LOGISTICS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 2 JULY 2022**

19. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2 July 2022 £	3 July 2021 £
Less than one year	3,245,421	3,309,080
Between one and five years	7,034,570	7,161,957
	<u>10,279,991</u>	<u>10,471,037</u>

20. Deferred taxation

	2022 £	2021 £
At beginning of year	55,802	274,506
Credited to statement of comprehensive income	(153,068)	(218,704)
At end of year	<u>(97,266)</u>	<u>55,802</u>

The deferred taxation balance is made up as follows:

	2 July 2022 £	3 July 2021 £
Fixed asset timing differences	(615,232)	(397,391)
Short term timing differences	14,105	28,577
Losses and other deductions	502,660	423,415
R&D expenditure credit	1,201	1,201
	<u>(97,266)</u>	<u>55,802</u>

ABBEEY LOGISTICS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 2 JULY 2022**

21. Provisions

	Dilapidations £
At 4 July 2021	163,700
Movement in the year	(39,347)
At 2 July 2022	124,353

22. Share capital

	2 July 2022 £	3 July 2021 £
Allotted, called up and fully paid		
79,073 (2021: 79,073) Ordinary shares of £1.00 each	79,073	79,073
1,000 (2021: 1,000) Ordinary G1 shares of £0.01 each	10	10
1,000 (2021: Nil) Ordinary G2 shares of £0.01 each	10	-
	79,093	79,083

On 16 May 2022, 1,000 G2 ordinary shares of £0.01 were issued to certain individuals at a premium of £4.99 per share.

23. 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.

24. Contingent liabilities

The directors have confirmed that there were no contingent liabilities at 2 July 2022 (2021: None).

ABBHEY LOGISTICS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 2 JULY 2022**

25. Capital commitments

The directors have confirmed that as at 2 July 2022, there were capital commitments of £1,170,284 (2021: £2,070,000) in relation to trucks.

26. 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 £739,560 (2021: £647,138). Contributions totalling £147,033 (2021: £185,215) were payable to the fund at the Statement of financial position date and are included in other creditors.

27. Commitments under operating leases

At 2 July 2022 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2 July 2022 £	3 July 2021 £
Within one year	1,451,817	2,046,758
Between one and five years	1,211,099	3,472,529
	<u>2,662,916</u>	<u>5,519,287</u>

28. 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.

29. Controlling party

The immediate parent company is Axle Bidco Limited and the ultimate parent company is Axle Topco Limited. NorthEdge Capital LLP is 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.