

Company registration number
02539356

BCA Logistics Limited
Report and Financial Statements
For the year ended 1 April 2018



BCA Logistics Limited Report and Financial Statements

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BCA Logistics Limited

Company information

Directors

T G Lampert

D Hulse

Company secretary

M R Letza

Independent auditors

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

10 Bricket Road

St Albans

Hertfordshire

AL1 3JX

Registered office

Headway House

Crosby Way

Farnham

Surrey

GU9 7XG

Company registration number

02539356

BCA Logistics Limited

Strategic report For the year ended 1 April 2018

The Directors present their Strategic report on BCA Logistics Limited (the 'Company') for the year ended 1 April 2018.

Principal activity

The principal activity of the Company is that of vehicle logistics and associated services.

The Company is part of a group of companies that consists of BCA Marketplace plc and its subsidiaries (the 'Group').

Review of the business

The Company's profit for the year was £3.8m (year ended 2 April 2017: £1.8m).

The increase in revenue and profit for the year is due to a full year results following the transfer of employees from a fellow subsidiary in the prior year. This enabled the Company to reduce the number of agency workers and temporary contractors in the current year, which has resulted in improved margins.

As at 1 April 2018 the Company had net assets of £6.5m (2 April 2017: £7.7m) and net current assets of £2.8m (2 April 2017: £5.1m).

These financial statements are prepared to 1 April 2018, a Sunday within seven days of 31 March, to align the accounting reference date with that of BCA Marketplace plc.

Principal risks and uncertainties

The Company's operations expose it to a variety of financial risks that include liquidity risk, operational risk and credit risk.

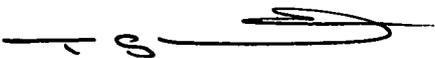
Financial risk management

The Company does not directly manage the financial risks. BCA Marketplace plc manages financial risk on a Group basis as described in the Strategic report of the BCA Marketplace plc Annual Report and Accounts.

Key performance indicators

Key performance indicators of the Company are revenue, adjusted EBITDA (earnings before interest, taxation, depreciation and amortisation, and significant or non-recurring items, as defined in the BCA Marketplace plc accounting policies) and the volume of vehicles processed. The volume of vehicles processed is the key driver of performance, which is then monitored against revenue and adjusted EBITDA to show how the volume is being converted into profit. They are monitored and reviewed at the segmental and Group level as described in the Strategic report of the BCA Marketplace plc Annual Report and Accounts.

This report was approved by the Board of Directors on 4 September 2018 and signed on its behalf.



T G Lampert
Director

BCA Logistics Limited

Directors' report For the year ended 1 April 2018

The Directors present their report and audited financial statements of the Company for the year ended 1 April 2018.

Future developments

The Directors expect that the present level of activity will be sustained for the foreseeable future.

Dividends

During the year an interim dividend totalling £5.0m (year ended 2 April 2017: £nil) was proposed and paid. No final dividend is proposed (year ended 2 April 2017: £nil).

Financial risk management

The financial risks the Company is exposed to are set out in the Strategic report on page 2.

Directors

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

T G Lampert
D Hulse

Directors' indemnity

Throughout the year and up to the date of approval of the financial statements the Company, through a Group policy, provided an indemnity for its Directors and Officers. This is a qualifying third party indemnity provision for the purposes of the Companies Act 2006.

Directors' responsibilities statement

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

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

The Directors are 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.

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

BCA Logistics Limited

Directors' report (continued) For the year ended 1 April 2018

Employees

The Company is committed to maintaining the co-operation and involvement of its employees in the future of the business. This is achieved through regular communications and dissemination of information via team meetings, bulletin boards, an internal website and cascade by email. Regular consultation takes place with all levels of employees as appropriate. An annual conference also takes place where employees are presented with both recognition for achievement and long service.

The Company is committed to ensuring that employment is based on equal opportunity for all, irrespective of gender, sexual orientation, race, ethnicity, disability, marital status, religious beliefs and age. The Company seeks to both 'appoint and promote from within' as a priority and to ensure employees have every opportunity for development. The Company also ensures performance management via appraisals takes place, with a view to enhancement of skills in line with business needs.

As well as employing individuals with disabilities, the Company (within the limitations of the work available and the nature of the disability to be taken into account) encourages the recruitment of those with disabilities wherever possible and provides re-training for employees who experience disability such that they can continue in their employment with the Company.

Disclosure of information to the auditors

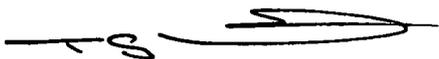
Each person who was a Director at the time this report was approved confirms that:

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

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

This report was approved by the Board of Directors on 4 September 2018 and signed on its behalf.



**T G Lampert
Director**

BCA Logistics Limited

Independent auditors' report to the members of BCA Logistics Limited

Report on the audit of the financial statements

Opinion

In our opinion, BCA Logistics Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 1 April 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 1 April 2018; the income statement and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

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

BCA Logistics Limited

Independent auditors' report to the members of BCA Logistics Limited (continued)

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 1 April 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the Directors for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of this report

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

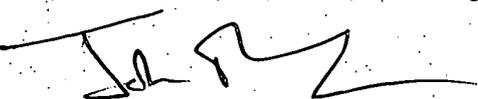
Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.



John Minards (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
St Albans
4 September 2018

BCA Logistics Limited

Income statement

	Note	Year ended 1 April 2018 £000	Year ended 2 April 2017 £000
Revenue		77,192	69,390
Cost of sales		(60,338)	(56,306)
Gross profit		16,854	13,084
Administrative expenses		(12,984)	(11,135)
Profit on ordinary activities before interest and taxation		3,870	1,949
Finance expense	6	(9)	-
Profit on ordinary activities before income tax	4	3,861	1,949
Income tax	7	(16)	(129)
Profit for the year		3,845	1,820

Statement of comprehensive income

The Company has no income other than that included in the results above and, therefore, no separate statement of comprehensive income has been presented.

BCA Logistics Limited

Statement of changes in equity

	Share capital £000	Share premium £000	Retained earnings £000	Total shareholder's funds £000
Balance as at 4 April 2016	1	5	5,840	5,846
Profit for the year	-	-	1,820	1,820
Total comprehensive income for the year	-	-	1,820	1,820
Balance as at 2 April 2017	1	5	7,660	7,666
Profit for the year	-	-	3,845	3,845
Total comprehensive income for the year	-	-	3,845	3,845
Dividends	-	-	(5,000)	(5,000)
Total transactions with owner recognised directly in equity	-	-	(5,000)	(5,000)
Balance as at 1 April 2018	1	5	6,505	6,511

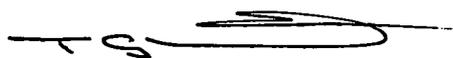
BCA Logistics Limited

Balance sheet

	Note	As at 1 April 2018 £000	As at 2 April 2017 £000
Fixed assets			
Intangible assets	8	571	709
Property, plant and equipment	9	3,131	1,999
		3,702	2,708
Current assets			
Inventories	10	97	194
Trade and other receivables	11	16,541	14,143
Cash and cash equivalents		-	3,726
		16,638	18,063
Creditors: amounts falling due within one year	12	(13,806)	(12,935)
Net current assets		2,832	5,128
Total assets less current liabilities		6,534	7,836
Provisions for liabilities	14	(23)	(170)
Net assets		6,511	7,666
Equity			
Share capital	15	1	1
Share premium		5	5
Retained earnings		6,505	7,660
Total shareholder's funds		6,511	7,666

The notes on pages 10 to 21 are an integral part of these financial statements.

The financial statements on pages 7 to 21 were authorised for issue by the Board of Directors on 4 September 2018 and were signed on its behalf.



T G Lampert
Director

Company registration number: 02539356

BCA Logistics Limited

Notes to the financial statements For the year ended 1 April 2018

1 General information

The Company is a private limited company limited by shares and is incorporated and domiciled in England and Wales. The address of the registered office is Headway House, Crosby Way, Farnham, Surrey, GU9 7XG.

2 Summary of significant accounting policies

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

2.1 Basis of preparation

These financial statements have been prepared in accordance with FRS 101, under the historical cost convention and in accordance with the Companies Act 2006.

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

The following exemptions from the requirements of IFRS are being applied in the preparation of these financial statements, in accordance with FRS 101:

- The disclosure of the categories of financial instruments and the nature and extent of risks arising on these financial instruments;
- The requirement to disclose the valuation techniques applied to assets and liabilities held at fair value;
- The requirement to provide comparative information in respect of a reconciliation of the carrying amount of each class of tangible assets at the beginning of the period;
- The requirement to provide comparative information in respect of a reconciliation of the carrying amount of each class of intangible assets at the beginning of the period;
- The requirement to produce a third statement of financial position when applying a change in accounting policy, retrospective restatement or reclassification;
- The requirement for an explicit and unreserved statement of compliance with IFRSs;
- The requirement to disclose information relating to the Company's objectives, policies and processes for managing capital;
- The requirement to publish a statement of cash flows;
- The requirement to disclose the future impact of a new IFRS in issue but not effective at the reporting date;
- The requirement to disclose compensation for key management between short term employee benefits, post-employment benefits and other long term benefits; and
- The requirements to disclose related party transactions entered into between two or more, wholly owned, members of a group.

2.2 Going concern

The Company meets its day to day working capital requirements through its cash reserves. The Company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Company should be able to operate within the level of its current cash reserves. After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

BCA Logistics Limited

Notes to the financial statements For the year ended 1 April 2018

2 Summary of significant accounting policies (continued)

2.3 Changes in accounting policy and disclosures

No new standards, amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 1 April 2018, have had a material impact on the Company.

2.4 Intangible assets

Intangible assets comprise internally generated software and acquired computer software. These are carried at cost less accumulated amortisation and any recognised impairment loss.

Acquired computer software and software licences are capitalised and amortised on a straight-line basis over their useful lives. Costs relating to the development of computer software for internal use are capitalised once all the development phase recognition criteria of IAS 38 are met. Costs incurred before this point are expensed as incurred and are not recognised as an asset in a subsequent period. The assessment identifies unique software products that are controlled by the Company and that will probably generate economic benefits exceeding costs beyond one year. Salary and related employment costs that are directly attributable to the development of the software are then capitalised. When the software is available for its intended use, these costs are amortised in equal annual amounts over the estimated useful life of the software.

Amortisation and impairment are charged to the income statement as administrative expenses in the period in which they arise. Amortisation is calculated on a straight-line basis from the date on which they are brought into use with useful lives as indicated below:

Software - internally generated	3 - 10 years
Software - acquired	3 - 7 years, or the licence term if shorter

Amortisation periods and methods are reviewed annually and adjusted if appropriate.

2.5 Impairment of non-financial assets

Non-financial assets not ready to use are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

BCA Logistics Limited

Notes to the financial statements For the year ended 1 April 2018

2 Summary of significant accounting policies (continued)

2.6 Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

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

Land and buildings	50 years, or over the unexpired period of the lease on leasehold buildings if shorter
Plant, machinery & equipment	2 - 25 years
Motor vehicles	3 - 5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the income statement. Depreciation is charged to the income statement as an administrative expense.

2.7 Financial assets

Classification

The Company classifies its financial assets as loans and receivables. Management determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that arise principally through the provision of services to customers. They are initially recognised at fair value, and are subsequently stated at amortised cost using the effective interest method, where the impact is material. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. Loans and receivables comprise trade and other receivables and cash and cash equivalents in the balance sheet.

Impairment of financial assets

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty, default or significant delay in payment) that the Company will be unable to collect all of the amounts due under the terms of the receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable discounted at the assets' original effective interest rate.

For trade receivables, which are reported net of any provisions, such provisions are recorded in a separate provision account with the loss being recognised within operating costs in the income statement. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

BCA Logistics Limited

Notes to the financial statements For the year ended 1 April 2018

2 Summary of significant accounting policies (continued)

2.8 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with an original maturity of three months or less. In the balance sheet, overdrafts are included within creditors due within one year.

2.9 Inventories

Inventories, which principally comprise vehicles for resale, are stated at the lower of purchase cost and net realisable value. Net realisable value is based on estimated selling price, less further costs expected to be incurred on disposal. Inventory is reviewed for impairment and a provision recorded where net realisable has fallen below cost.

2.10 Financial liabilities

Financial liabilities are recognised initially at fair value and are subsequently measured at amortised cost using the effective interest method.

Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

2.11 Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be measured reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability. The increase in the provision due to passage of time is recognised in finance costs. Provisions for dilapidations are made in respect of property leases, these are based on the Company's best estimate of the likely committed cash out flow.

2.12 Share capital

Ordinary shares are classified as equity.

2.13 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for services supplied, stated net of discounts, returns and value added taxes.

The Company recognises revenue at the time services are provided. All Company revenue for the current and prior periods was generated within the United Kingdom and represents fees for the provision of vehicle logistics and associated services.

BCA Logistics Limited

Notes to the financial statements For the year ended 1 April 2018

2 Summary of significant accounting policies (continued)

2.14 Current and deferred income tax

The tax charge for the year comprises current and deferred tax.

Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholder's funds. In this case, the tax is also recognised in other comprehensive income or directly in shareholder's funds, respectively.

The current tax charge is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to taxes payable in respect of previous periods. Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The following temporary differences are not provided for: the initial recognition of other assets or liabilities that affect neither accounting nor taxable profit other than in a business combination and differences relating to investments in subsidiaries to the extent that they are unlikely to reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

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

2.15 Leases

The Company leases certain property, plant and equipment under operating leases. Under an operating lease substantially all of the risks and rewards of ownership are retained by the lessor. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the term of the lease.

2.16 Employee benefits

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

The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

BCA Logistics Limited

Notes to the financial statements For the year ended 1 April 2018

3 Critical accounting judgements and estimates

The preparation of the Company's financial statements requires the Directors and management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities. Accounting policies are reviewed annually for appropriateness. Estimates and judgements are evaluated continually and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates, with any changes arising being recognised in the period in which the change in estimate is made or the final result determined.

Certain of the Company's significant accounting policies are considered by the Directors to be critical because of the level of complexity, judgement or estimation involved in their application and their impact on the financial statements. These are discussed below:

Estimates

The Directors consider that the following estimates and assumptions are likely to have the most significant effect on the amounts recognised in these financial statements:

Useful economic lives of fixed assets

Both the annual amortisation charge for intangible assets and the depreciation charge for property, plant and equipment are sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

Impairment of trade and other receivables

The Company makes an estimate of the recoverable value of trade and other receivables. When assessing impairment of trade and other receivables, management considers factors including the credit rating of the receivable, the ageing profile of receivables and historical experience.

Judgements

There are no critical accounting judgements impacting these financial statements.

4 Profit on ordinary activities before income tax

Profit on ordinary activities before income tax is stated after charging/(crediting)	Year ended 1 April 2018 £000	Year ended 2 April 2017 £000
Wages and salaries	18,828	14,018
Social security costs	1,674	697
Other pension costs	174	40
Staff costs	20,676	14,755
Depreciation of property, plant and equipment	822	486
Amortisation of intangible assets	310	321
Profit on disposal of property, plant and equipment	(5)	(3)
Operating lease rentals - plant and machinery	23	220
Operating lease - land and buildings	494	318
Management fee payable to intermediate parent undertaking	383	221
Services provided by the Company's auditors - Fees payable for the audit	15	15

BCA Logistics Limited

Notes to the financial statements For the year ended 1 April 2018

5 Employees and directors

Employees

The average monthly number of people (including Executive Directors) employed by the Company during the year was:

	Year ended 1 April 2018 Number	Year ended 2 April 2017 Number
By activity		
Administrative and management	255	224
Service	721	518
	976	742

Directors

The Director's emoluments were as follows:

	Year ended 1 April 2018 £000	Year ended 2 April 2017 £000
Aggregate emoluments	232	35
Pension costs	1	-
	233	35

The emoluments of one (year ended 2 April 2017: one) Director were paid by BCA Marketplace plc, the ultimate parent company which makes no recharge to the Company. This Director is a director of BCA Marketplace plc and a number of fellow subsidiaries and it is not possible to make an accurate apportionment of their emoluments in respect of each of the subsidiaries. Accordingly, these financial statements include no emoluments in respect of this Director. The total emoluments are included in the aggregate of Directors' emoluments disclosed in the financial statements of BCA Marketplace plc.

6 Finance expense

	Year ended 1 April 2018 £000	Year ended 2 April 2017 £000
Interest payable to Group undertakings	9	-

BCA Logistics Limited

Notes to the financial statements For the year ended 1 April 2018

7 Income tax

Tax charge included in the income statement

	Year ended 1 April 2018 £000	Year ended 2 April 2017 £000
Current tax:		
UK corporation tax on profit for the year	38	-
Group relief surrendered from Group undertakings for payment	-	151
Total current tax	38	151
Deferred tax:		
Origination and reversal of temporary differences	(3)	(14)
Adjustments in respect of previous periods	(19)	(8)
Total deferred tax	(22)	(22)
Income tax charge on profit on ordinary activities	16	129

Income tax charge for the year is lower (year ended 2 April 2017: lower) than the standard rate of corporation tax in the UK for the year ended 1 April 2018 of 19.0% (year ended 2 April 2017: 20.0%). The differences are explained below:

Income tax reconciliation	Year ended 1 April 2018 £000	Year ended 2 April 2017 £000
Profit on ordinary activities before income tax	3,861	1,949
Profit multiplied by the standard rate of tax in the UK of 19.0% (year ended 2 April 2017: 20.0%)	734	390
Effects of:		
Expenses not deductible for tax purposes	37	15
Group relief surrendered by former Group undertaking	-	(189)
Group relief surrendered from Group undertakings	(744)	-
Unrecognised brought forward losses utilised	-	(84)
Impact of rate difference between deferred and current tax	1	-
Tax rate change	7	5
Adjustments in respect of previous periods	(19)	(8)
Tax charge	16	129

The Finance Act 2015 reduced the UK main rate of corporation tax from 20.0% to 19.0% from 1 April 2017. The Finance Act 2016 contains provisions for a further reduction to the corporation tax main rate for the year starting 1 April 2020, setting the rate at 17.0%. Deferred tax balances have been valued accordingly.

In the current year no payment was made for the surrender of losses by Group undertakings.

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Notes to the financial statements For the year ended 1 April 2018

8 Intangible assets

	Software £000
Cost	
As at 3 April 2017	1,600
Additions	176
Disposals	(631)
As at 1 April 2018	1,145
Accumulated amortisation	
As at 3 April 2017	891
Charge for the year	310
Disposals	(627)
As at 1 April 2018	574
Net book value	
As at 1 April 2018	571
As at 2 April 2017	709

9 Property, plant and equipment

	Land and buildings £000	Motor vehicles £000	Plant, machinery & equipment £000	Total £000
Cost				
As at 3 April 2017	86	1,680	1,341	3,107
Additions	18	1,638	814	2,470
Disposals	(23)	(753)	(692)	(1,468)
Reclassifications	333	-	(333)	-
As at 1 April 2018	414	2,565	1,130	4,109
Accumulated depreciation				
As at 3 April 2017	42	365	701	1,108
Charge for the year	28	421	373	822
Disposals	(5)	(316)	(631)	(952)
Reclassifications	17	-	(17)	-
As at 1 April 2018	82	470	426	978
Net book value				
As at 1 April 2018	332	2,095	704	3,131
As at 2 April 2017	44	1,315	640	1,999

BCA Logistics Limited

Notes to the financial statements For the year ended 1 April 2018

10 Inventories

	As at 1 April 2018 £000	As at 2 April 2017 £000
Finished goods and goods for resale	97	194

There is no significant difference between the replacement cost of inventories and their carrying amounts. Inventories are stated after provision for impairment of £20,000 (2 April 2017: £52,000).

Inventories recognised as an expense and charged to the income statement during the year were £0.9m (2 April 2017: £1.7m).

11 Trade and other receivables

	As at 1 April 2018 £000	As at 2 April 2017 £000
Trade receivables	4,668	3,767
Amounts owed by Group undertakings	7	762
VAT receivable	1,213	-
Other receivables	300	335
Prepayments and accrued income	10,113	9,061
Deferred tax asset (note 13)	240	218
	16,541	14,143

Trade receivables are stated after provision for impairment of £55,000 (2 April 2017: £22,000).

Amounts owed by Group undertakings are unsecured, repayable on demand and do not bear interest.

12 Creditors: amounts falling due within one year

	As at 1 April 2018 £000	As at 2 April 2017 £000
Bank loans and overdrafts	3,364	-
Trade creditors	1,496	1,365
Amounts owed to Group undertakings	2,915	4,579
Taxation and social security	1,280	1,208
Corporation tax	38	-
Other creditors	213	325
Accruals and deferred income	4,500	5,458
	13,806	12,935

Amounts owed to Group undertakings are unsecured, repayable on demand and bear interest at up to the three month British pound sterling LIBOR ('LIBOR') plus 2.25% per annum.

The bank overdraft does not attract interest as the Group has a legal right of offset over specified bank accounts.

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Notes to the financial statements For the year ended 1 April 2018

13 Deferred tax

	Depreciation in excess of capital allowances £000
As at 4 April 2016	196
Credited to the income statement	22
As at 2 April 2017	218
Credited to the income statement	22
As at 1 April 2018	240

14 Provisions for liabilities

	Dilapidation and property costs £000
As at 4 April 2016 and 2 April 2017	170
Amounts utilised during the year	(158)
Unwinding of discounted amount	11
As at 1 April 2018	23

The dilapidations provision relates to making good defects of leasehold buildings used within the business and is expected to be utilised within the next ten years.

15 Share capital

Authorised, allotted and fully paid

	Number	£000
Ordinary shares of £1.00 each		
As at 2 April 2017 and 1 April 2018	1,433	1

16 Dividends

During the year an interim dividend totalling £5.0m, £3,489.18 per share (year ended 2 April 2017: £nil), was proposed and paid. No final dividend is proposed (year ended 2 April 2017: £nil).

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Notes to the financial statements For the year ended 1 April 2018

17 Capital and other commitments

The total future aggregate minimum lease payments under operating leases are as follows:

	As at 1 April 2018		As at 2 April 2017	
	Land and buildings £000	Other £000	Land and buildings £000	Other £000
Within 1 year	461	24	231	32
Later than 1 year and not later than 5 years	1,747	94	928	131
Later than 5 years	1,607	-	257	-
Total operating lease commitments	3,815	118	1,416	163

The land and buildings financial commitments include £nil (year ended 2 April 2017: £695,000) recharged from British Car Auctions Limited.

18 Contingent liabilities

The Company has entered into an agreement over various bank loans and overdrafts of certain Group undertakings and has granted as security a fixed and floating charge over all its present and future assets. At the year end the loans totalled £328.9m (2 April 2017: £347.6m) and the net overdraft totalled £nil (2 April 2017: £nil).

19 Related party transactions

The Company has taken advantage of the exemption conferred by FRS 101 in paragraph 8(j) relating to IAS 24, the requirements to disclose related party transactions entered into between two or more, wholly owned, members of a group.

20 Ultimate controlling party

The Company's ultimate parent company and controlling party is BCA Marketplace plc which is the largest and smallest undertaking that consolidates these financial statements. The Company's immediate parent undertaking is BCA Trading Limited.

Copies of the consolidated financial statements of BCA Marketplace plc are available from the Company Secretary, BCA Marketplace plc, Haversham House, Coronation Business Park, Kiln Road, Kempston Hardwick, Bedford, MK43 9PR.