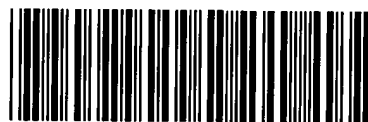


Axis Intermodal Limited
Financial statements
For the year ended 31 March 2018

Company No 04980247

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Axis Intermodal Limited
Financial Statements for the year ended 31 March 2018

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Axis Intermodal Limited
Financial Statements for the year ended 31 March 2018

Company Information

Company registration number	04980247
Registered office	14 Fenlock Court Lower Road Long Hanborough Oxfordshire OX29 8LN
Directors	Robert J Montague CBE (Executive Chairman) Stephen J Ball (Director)
Auditor	James Cowper Kreslon Chartered Accountants & Statutory Auditor 2 Chawley Park Cumnor Hill Oxford OX2 9GG

Axis Intermodal Limited
Financial Statements for the year ended 31 March 2018

Report of the Directors

The following information has not been included in the Directors' Report as it has been included within the Strategic Report under s414C(11) of the Companies Act 2006:

- Review of Business
- Principal risks and risk management;
- KPIs.

Directors

The directors who served during the year were:
Robert J Montague CBE (Executive Chairman)
Stephen J Ball (Director)

Statement of Directors' Responsibilities

The directors are responsible for preparing the Report of the Directors 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 group and company financial statements in accordance with International Financial Reporting Standards as adopted for use in the European Union. 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 the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether IFRSs as adopted by the European Union and 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Consolidated accounts

The consolidated accounts have been prepared in accordance with the basis of preparation set out in note 2 to the accounts. The Group's objectives and policies for managing the exposure to relevant financial risks, including the use of applicable financial instruments, is set out in note 27 to the consolidated accounts.

Axis Intermodal Limited
Financial Statements for the year ended 31 March 2018

Report of the Directors (cont'd)

Going concern

The directors have considered the going concern status of the Group and consider that the Group has adequate resources to meet its liabilities as and when they fall due for the foreseeable future.

In making this assessment the directors have prepared forecasts for a period of at least 12 months from the date of approval of these financial statements, which take account of possible changes in trading performance based on various assumptions that the directors consider are reasonable given their knowledge of the business.

Further details are given in note 2 of the accounts.

Auditor

The auditor, James Cowper Kreston, is deemed to have been reappointed in accordance with section 487 of the Companies Act 2006.

Statement as to disclosure of information to Auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- he has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information.

Approved by the board of directors and signed on its behalf by:



Robert J Montague CBE
Director

Date: 20 December 2018

Axis Intermodal Limited
Financial Statements for the year ended 31 March 2018

Group Strategic Report

The Group specialises in equipment contract hire for the logistics and supply chain management industries around the UK and Europe.

At Axis Intermodal, sustainable growth begins with our business model. Through our low-risk approach to business, we aim to achieve long-term commercial success and develop robust professional relationships. We focus on long-term asset management rather than short-term transactions, delivering quality and consistency to our customers and lasting value to our financial partners. In this way, we provide the conditions for strong and stable growth and build loyalty, confidence and trust among our stakeholders.

In order to continue doing business long into the future, the Axis Intermodal Group has based its approach around leasing, outsourcing and infrastructure-light operations. This means we keep our debts and overheads to a minimum and ensure the business is financially sound. It also gives us the flexibility to acquire new assets, respond to customer demands, and provide stability and reassurance over time.

Axis Intermodal Limited (the Group) specialises in equipment contract hire for the logistics, and supply chain management industries. Across its many contract and equipment portfolios, the Group is committed to building strong business relationships and delivering long-term, sustainable growth.

Axis Intermodal Limited was established in December 2003 as the holding company for businesses based in the UK and Germany. In 2007, we reorganised the Group into two operating units, one in the UK and one in Germany, enhancing our offer under a single brand for the benefit of our global customers. In the year ended 31 March 2016, the Group investment in Germany was sold.

Key financial information relating to the Groups performance in the year is detailed within the Financial Review.

Each Axis company operates autonomously within the Group. We follow a decentralised business model which enables our companies to respond freely to customer demands and market conditions. The companies are supported by our UK corporate team, which manages the flow of finance between the business units, determines Group strategy and coordinates Group-wide communications. The UK office also oversees the Group's HR, legal and IT functions and ensures the regular and transparent exchange of information between all business units.

The Group derives real strength from its low-risk approach to business. Through third-party capital funding, outsourcing and light infrastructure, our business units are not constrained by heavy debt or overheads and can respond flexibly to customer demands. They also have stable operating platforms from which to expand their fleets and grow their market share in the future.

This stability ensures that the Group is here for the long-term and that it can build strong business relationships and deliver long-term value to asset owners and customers alike. Situated in the middle of the leasing process, we manage the whole life of the assets from purchase to disposal, as well as cash flows, and balance the interests of asset suppliers and end-users. Customers come to us because they know we deliver a reliable, high-quality service tailored specifically to their needs. Asset investors back us because they know we provide sustainable value and strong returns.

The very nature of the Group's core business is another source of strength. Since 2008, contract hire and leasing, as opposed to asset ownership, has become increasingly popular in the transport and logistics industries. Since the financial crisis, companies have become cautious about capital expenditure and are renting more now than ever before, which means the Group is well positioned to deliver business continuity and growth long into the future.

Axis Intermodal Limited
Financial Statements for the year ended 31 March 2018

Group Strategic Report (cont'd)

Indeed, the leasing model is working well in the present climate. Companies are prioritising rental because it enables them to respond more flexibly to demand and to calculate costs more accurately, and in prior years the shift away from ownership continued to provide favourable trading conditions for our main operating companies.

Axis Fleet Management

Management's core business is truck and road trailer contract hire. As of 31 March 2018, its combined UK rental fleet stood at 2,925 assets.

Dividends

No dividends were paid during the year and no final dividend has been recommended by the directors for the year ending 31 March 2018. The declaration and payment of any future dividends and the amount thereof will depend upon the Group's operating results, financial condition, future prospects, profits legally available for distribution and other factors deemed by the directors to be relevant at the time.

Key performance indicators

Utilisation rates are key to the Group's success as, without a significant utilisation of assets, the Group continues to incur significant lease and storage costs which are unable to be passed on to customers. The Board manages this risk by ordering new units only when customers have identified a requirement for those units and by aiming to obtain significant repeat business from customers. Additionally, as far as possible, the Group aims to enter into contracts with customers which match the term of the Group's underlying lease contract. During the year the utilisation rate of assets was 93% (2017: 94%).

Additional key performance indicators of the business are explained within the Financial Review.

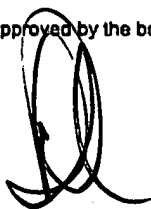
Principal risks and uncertainties

The major risks perceived are interest rate and liquidity risk all of which are actively managed on an on going basis by management. Further details of the Group's financial risk management objectives are given in note 27 of the accounts.

The key business risks of the Group are considered to be the utilisation rate of assets and the financing of new units by funders.

Other principal risks and uncertainties are detailed within the Financial Review.

Approved by the board of directors and signed on its behalf by:



Robert J Montague CBE
Director

Date: 20 DECEMBER 2018

Axis Intermodal Limited
Financial Review
Year ended 31 March 2018

Income Statement

	Year ended 31 March 2018	Year ended 31 March 2017
	£000	£000
Revenue	33,741	38,430
(Loss)/Profit before interest, tax, depreciation and share based payments	(1,487)	1,086
Net interest	(632)	(451)
Depreciation	(1,994)	(2,111)
Loss before tax	(4,113)	(1,476)
Tax	387	267
Loss after tax	(3,726)	(1,209)
Profit for the year from discontinued operations	-	-
Loss for the year	(3,726)	(1,209)

The above figures have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union.

Interest cover (based on loss/profit before interest, tax and share based payments) is nil given the loss recorded for the year (2017: nil).

Balance Sheet
31 March 2018

	Year ended 31 March 2018	Year ended 31 March 2017
	£000	£000
Property, plant and equipment	6,961	8,854
Deferred tax assets	257	-
Trade receivables and inventories	5,698	5,330
Cash at bank and in hand	19	46
Trade and other payables	(7,279)	(3,959)
Debt - short term	(2,909)	(2,869)
Long term debt and provisions	(5,854)	(6,786)
Net assets before goodwill	(3,107)	616
Goodwill	2,260	2,260
Net (liabilities) assets	(847)	2,876

Gearing has increased to 115% from 74% arising from an increase in long term debt and decreased equity.

Key performance indicator summary table:

The Directors consider the following details to represent financial and non-financial key performance indicators:

Gearing:

Gearing is the ratio of debt to equity finance, and is a tool to show how the business is financed.

Axis Intermodal Limited
Financial Review
Year ended 31 March 2018

Interest cover:

Interest cover represents the number of times that the group's profit before interest and taxation covers net interest expense for the period.

	Year ended 31 March 2018	Year ended 31 March 2017
Gearing	115%	74%
Interest cover	-	-

Non Financial

Year ended 31 March 2018

Fleet numbers UK

The units in the business overall increased during the year, which gives the group access to future revenues, and as such helps management in its decision making.

	Year ended 31 March 2018	Year ended 31 March 2017
Rigids	200	218
Trailers	1,608	1,675
Trucks	1,117	1,316
Total	2,925	3,209

Employees

As the table below shows, the Axis business is suitably structured between management and more technical, logistics skills, which significantly support management activities and decisions.

	2018	2017
Sales and customer services	30	26
Management and administration	10	7
	40	33

Dividend

No dividends were declared in respect of the year ended 31 March 2018.


Robert J Montague CBE
Director

Date: 20 December 2018

Independent Auditors' Report to the Shareholders of Axis Intermodal Limited

Opinion

We have audited the financial statements of Axis Intermodal Limited for the year ended 31 March 2018, set out on pages 13 to 39. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted for use in the European Union.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and parent Company's affairs as at 31 March 2018 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with IFRS as adopted for use in the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRS as adopted for use in the European Union and as applied in accordance with provisions of the Companies Act 2006; 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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the 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.

Independent Auditors' Report to the Shareholders of Axis Intermodal Limited (continued)

Opinion on 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 Group Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

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

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

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 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. The description forms part of our Auditors' report.

Independent Auditors' Report to the Shareholders of Axis Intermodal Limited (continued)

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 Auditors' 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.



Alexander Peal BSc(Hons) FCA DChA (Senior Statutory Auditor)
for and on behalf of

James Cowper Kreston

Chartered Accountants and Statutory Auditor

2 Chawley Park

Cumnor Hill

Oxford

OX2 9GG

Date: **21 December 2018**

Axis Intermodal Limited
Consolidated Income Statement
for the year ended 31 March 2018

		Year ended 31 March 2018	Year ended 31 March 2017
	Note	£000	£000
Continuing operations			
Revenue	3	33,741	38,430
Cost of sales		(29,379)	(35,580)
Gross profit		4,362	2,850
Analysis of administrative expenses:			
Other administrative expenses		(2,481)	(1,308)
Exceptional restructure expenses	5	(3,368)	(459)
Depreciation	5	(1,994)	(2,111)
Foreign exchange	5	-	1
Total administrative expenses		(7,843)	(3,875)
Loss from operations		(3,481)	(1,025)
Finance costs	7	(244)	(54)
Finance lease interest	7	(390)	(397)
Interest receivable		2	-
Loss before tax		(4,113)	(1,476)
Tax on loss on ordinary activities	8	387	267
Loss for the year from continuing operations		(3,726)	(1,209)
Loss for the year		(3,726)	(1,209)

Axis Intermodal Limited
Consolidated Statement of Changes in Equity
for the year ended 31 March 2018

GROUP	Share Capital £000	Share Premium £000	Share based payments reserve £000	Other reserve £000	Translation reserve £000	Retained earnings £000	Total £000
Balance at 1 April 2016	3,379	1,091	161	180	-	(734)	4,077
Loss for the year	-	-	-	-	-	(1,209)	(1,209)
Share based payment adjustments	-	-	8	-	-	-	8
Balance at 31 March 2017	3,379	1,091	169	180	-	(1,943)	2,876
Loss for the year	-	-	-	-	-	(3,726)	(3,726)
Share based payment adjustments	-	-	(160)	-	-	163	3
Balance at 31 March 2018	3,379	1,091	9	180	-	(5,506)	(847)

The other reserve balance brought forward relates to the premium on shares issued on 7 July 2005, as part consideration relating to the acquisition of Axis Fleet Management Limited.

COMPANY	Share Capital £000	Share Premium £000	Share based payments reserve £000	Other reserve £000	Translation reserve £000	Retained earnings £000	Total £000
Balance at 1 April 2016	3,379	1,091	148	180	-	(494)	4,304
Profit for the year	-	-	-	-	-	268	268
Shares Issued	-	-	8	-	-	-	8
Balance at 31 March 2017	3,379	1,091	156	180	-	(226)	4,580
Profit for the year	-	-	-	-	-	165	165
Share based payment adjustments	-	-	(147)	-	-	150	3
Balance at 31 March 2018	3,379	1,091	9	180	-	89	4,748

Axis Intermodal Limited
Consolidated Balance Sheet
for the year ended 31 March 2018

	Note	Group 2018	Company 2018	Group 2017	Company 2017
		£000	£000	£000	£000
Non-current assets					
Goodwill	11	2,260	-	2,260	-
Investment in subsidiary undertakings	10	-	6,173	-	6,173
Property, plant and equipment	12	6,961	32	8,854	44
Deferred tax assets	16	257	-	-	-
		9,478	6,205	11,114	6,217
Current assets					
Trade and other receivables	13	5,698	156	5,330	154
Cash at bank and in hand	14	19	18	46	46
		5,717	175	5,376	200
Total assets		15,195	6,380	16,490	6,417
Equity					
Share capital	19	3,379	3,379	3,379	3,379
Share premium	20	1,091	1,091	1,091	1,091
Share-based payment reserve		9	9	169	156
Other reserve		180	180	180	180
Retained earnings		(5,506)	89	(1,943)	(226)
Total equity		(847)	4,748	2,876	4,580
Non-current liabilities					
Trade and other payables	15	1,289	20	810	810
Customer deposits		166	-	248	-
Amounts owed to group companies	18	-	1,511	-	945
Obligations under finance leases	17	3,794	-	5,575	-
		5,249	1,531	6,633	1,755
Provisions for liabilities and charges	16	605	2	153	-
Current liabilities					
Trade and other payables	15	7,279	99	3,959	82
Obligations under finance leases	17	2,629	-	2,537	-
Borrowings and bank overdrafts	14	280	-	332	-
		10,188	99	6,828	82
Total liabilities		16,042	1,632	13,614	1,837
Total equity and liabilities		15,195	6,380	16,490	6,417

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



Robert J Montague CBE
Director

Date: 20 DECEMBER 2018

Axis Intermodal Limited
Consolidated Cash Flow Statement
for the year ended 31 March 2018

	Group Year ended 31 March 2018 £000	Company Year ended 31 March 2018 £000	Group Year ended 31 March 2017 £000	Company Year ended 31 March 2017 £000
Note				
Profit / (loss) before taxation from continuing operations	(4,113)	190	(1,476)	268
Profit / (loss) before tax from discontinued operations	-	-	-	-
Adjustments for:				
Depreciation	1,994	12	2,111	12
(Profit) / loss on disposal of property, plant and equipment	(57)	-	7	-
Provisions	605	-	-	-
Interest expense	634	20	451	47
Operating cash flows before movements in working capital	(937)	222	1,093	327
(Increase) / decrease in receivables	(367)	(2)	13	-
Decrease in amounts owed by subsidiaries	-	566	-	-
Increase / (decrease) in payables	3,235	17	671	(269)
Cash generated by operations before interest and taxation	1,931	803	1,777	58
Interest paid	(634)	(20)	(451)	(47)
Income taxes paid	(23)	(23)	(26)	-
Net cash inflow from operating activities	1,274	760	1,300	11
Investing activities				
Proceeds on disposal of property, plant and equipment	295	-	459	-
Purchases of property, plant and equipment	(338)	-	(4,000)	(11)
Net cash from investing activities	(43)	-	(3,541)	(11)
Financing activities				
Raising share capital	3	3	8	8
Financing of property, plant and equipment	170	-	-	-
Repayment of other loans	479	(790)	-	-
Repayment of finance leases	(1,858)	-	1,681	-
Net cash used in financing activities	(1,206)	(787)	1,689	8
Net increase / (decrease) in cash and cash equivalents	25	(27)	(552)	8
Cash and cash equivalents at beginning of year	(286)	46	266	38
Cash and cash equivalents at end of year	14	(261)	19	46

Axis Intermodal Limited
Notes to the Financial Statements

1. General Information

Axis Intermodal Limited (the "Company" together with its subsidiaries, the "Group") is a company incorporated in the United Kingdom under the Companies Act 2006. The nature of the Group's operations and its principal activities are set out in note 4 and in the Report of Directors.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these group financial statements.

2. Significant accounting policies

Basis of preparation

The financial statements of the Company and Group have been prepared on a going concern basis, under the historical cost convention and in accordance with applicable International Reporting Standards ("IFRS") as adopted by the European Union and International Financial Reporting.

Interpretations

Committee interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The Company has taken advantage of section 408 of the Companies Act 2006 and has not included a separate income statement in these financial statements. The parent company's profit for the year was £167k (2017: £268k profit). An audit fee of £9k was paid in respect of the parent company audit (2017: £9k).

These financial statements are presented in pound sterling because this is the presentational currency of the Company and the Group and also represents the primary economic environment in which the Company and Group operate. Foreign operations are included in accordance with policies set out below. The accounting period for both the company and group is a year.

Going concern

The Group's business activities, performance and position are set out in the Report of the Directors and in the Financial Review. In addition, note 27 includes the Group's financial risk management and objectives as well as an analysis of the Group's key risks and uncertainties. Additionally, the key business risks to which the Group are exposed are described in the Report of the Directors.

In light of the current economic climate, the directors have prepared forecasts for a period of at least a year from the date of approval of these financial statements, which take account of possible changes in trading performance based on various assumptions that the directors consider are reasonable given their knowledge of the business and indicate that the Group is able to operate within its funding constraints.

In light of the above, the directors are confident that the Group has adequate resources to meet its liabilities as and when they fall due for the foreseeable future and have therefore prepared the financial statements on a going concern basis.

Accounting estimates and judgements

The preparation of financial statements in conformance with adopted IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and assumptions are based on historical experience and other factors considered reasonable at the time, but actual results may differ from those estimates. Revisions to estimates are made in the period in which they are recognised.

Key estimates are made around the impairment of goodwill, and key management judgements are made regarding the classification of leases, revenue recognition on commission and judgement of long term balances held within a subsidiary, as being part of the net investment in that asset. Additionally management make judgements regarding the use of tax losses and recognition of a deferred tax asset.

Investment in subsidiary undertakings

Investments of the Company in the shares of subsidiary undertakings are stated at cost less any provision for impairment where, in the opinion of the directors, there has been impairment in value of any such investment.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to the period end.

Intra-group transactions, balances, income and expenses, gains and losses are eliminated fully on consolidation.

Control is achieved where Axis Intermodal Limited has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Axis Intermodal Limited
Notes to the Financial Statements

Basis of consolidation (cont.)

On acquisition, the assets, liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill.

Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired (i.e. discount on acquisition) is credited to profit or loss in the period of acquisition.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group.

Business combinations

The Group applies the acquisition method of accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of the assets transferred, liabilities incurred and equity interests issued by the Group, which includes the fair value of any interest or liability arising from the contingent consideration arrangement. Acquisition costs are expensed as incurred.

The Group recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are measured at their acquisition-date fair values.

Goodwill is stated after separate recognition of identifiable assets.

Revenue recognition

Revenue (excluding value added taxes) comprises contract hire income receivable from third parties relating to swapbodies, trailers, chassis, trucks and marine containers calculated on a daily rate basis, the supply of maintenance and repair management services, and fees chargeable to transport and logistics industries. Revenue is recognised once the Group has fulfilled its obligations in connection therewith, net of discounts and other sales related taxes.

Revenue is recognised on commissions receivable when, in management's opinion, the Group's obligation to place an order for an asset has passed.

There is sometimes a delay between transfer of the Group's obligations. In connection with placing the order, and a contractual obligation arising, due to the nature of global contract negotiation.

Where obligations pass in advance of invoicing, this is recognised as accrued income. Where the effect of time value of money is material, accrued income is discounted using the company's estimated weighted average cost of capital.

Revenues for the supply of maintenance and repair management services are recognised on a straight-line basis over the period for which services are contractually agreed by the Group.

Any excess of income invoiced over revenue recognised in the income statement for the period in respect of such services is recognised as deferred income.

Property, plant and equipment

Property, plant and equipment are stated at cost or valuation less accumulated depreciation and any recognised impairment loss.

Depreciation is provided on the cost of assets less any residual value over their estimated useful lives, using the straight-line method, as follows:

Office furniture and equipment	4 to 6 years
Contract hire equipment and vehicles	5 to 20 years (or until Guaranteed/underwritten residuals)

The residual value and the useful life of each asset are reviewed at least at each financial year-end and, if expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset.

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Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable asset and liabilities of a subsidiary at the date of acquisition. Goodwill is recognised as an asset and reviewed for impairment at least annually. Any impairment is recognised immediately in the income statement and is not subsequently reversed.

Goodwill arising on acquisitions before the date of transition to IFRS has been retained at the previous UK GAAP amounts subject to being tested for impairment at that date and at least annually thereafter.

On disposal of a subsidiary, the net book value attributable to goodwill is included in the determination of the profit or loss on disposal.

Where the consideration paid for an acquisition is lower than the fair value of the net identifiable assets and liabilities, the difference is accounted for as negative goodwill and released to the income statement on acquisition.

Impairment

At each balance sheet date, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss (if any).

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

- contract term
- customer renewal
- discount rate
- fleet increases
- cost savings
- revenue increases

Details to specific assumptions in relation to impairment of goodwill at the period end can be found in note 11.

Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount.

An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease to the extent of previous revaluation gains, with any residual impairment recognised as an expense.

With the exception of goodwill, where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years.

A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Management has taken a view that annual growth in the UK will remain at a constant rate over the next five years.

Leases

a) The Group as a lessor

All contracts to lease assets to customers are classified as operating leases, as the Group does not transfer risk and reward of ownership to customers.

Assets leased to customers as operating leases are included within property, plant and equipment and depreciated over their useful lives, in accordance with the accounting policy for contract hire equipment and vehicles.

All rental income (net of any lease incentives) is recognised in the income statement on a straight-line basis over the lease term.

b) The Group as the lessee

Leases are classified as finance leases whenever the terms of the lease transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are included in the balance sheet at fair value, or, if lower, at the present value of the minimum lease payments each determined at inception of the lease less depreciation and impairment losses.

These assets are depreciated over the shorter of the asset's useful life and the lease term.

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Leases (cont.)

The finance charges are allocated over the period of the lease in proportion to the capital amount outstanding. Leases where the third party lessor retains substantially all the risks and rewards of ownership are classified as operating leases on a straight-line basis over the period of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease expense.

Management reviews all potential customers, and obtains credit reports, in order to reduce the risk of onerous leases. At the start of the lease, Axis obtains a deposit from the customer, and customer activity is reviewed on an ongoing basis.

Foreign currencies

Transactions denominated in foreign currencies are translated into sterling (the presentational currency of the Group) at the rates ruling at the date of the transactions. The functional currency of UK entities is Sterling.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated at the rates of exchange ruling at that date.

Gains and losses arising on retranslation in respect of monetary assets and liabilities are included in the net profit or loss for the period.

Non-monetary assets and liabilities that are measured in terms of the historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Retirement benefit costs

The Group contributes to various personal pension plans schemes. The Group offers a stakeholder scheme for its employees, but no members have joined.

The Group 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 appropriate.

Short-term employee benefit costs

The undiscounted amounts of short-term benefits attributable to services that have been rendered in the period are recognised as an expense. Any difference between the amount of cost recognised and cash payments made is treated as a liability or prepayment as appropriate.

Share-based payments

The Group issues share options to its employees. The Group has applied the requirements of IFRS 2 Share-based Payments. In accordance with the transitional provisions, IFRS 2 has been applied to all grants of equity instruments after 7 November 2002 that had been unvested as of 1 January 2006.

The Group issues equity-settled share-based payments to certain employees in return for their services. These services are determined indirectly by reference to the fair value of the instruments granted. Equity-settled share-based payments are measured at fair value at the date of grant.

The fair value determined at the grant date of the equity-settled, share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest, updated at each balance sheet date.

Fair value of the equity-settled share-based payments is measured by use of a Black Scholes model.

Financial Instruments

Financial assets and liabilities are recognised on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Income and expenditure arising on financial instruments is recognised on the accruals basis, and credited or charged to the income statement in the financial period to which it relates.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method; less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtors, probability that the debtor will enter bankruptcy or a financial reorganisation and default are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at original effective interest rate. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables.

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Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

A financial liability represents the obligation to transfer economic benefits as a result of past transactions or events.

Ordinary shares are classified as equity.

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

Where any group company purchases the company's equity share capital (treasury shares), the consideration paid, including any directly attributable, incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued.

Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transactions costs and the related income tax effect, is included in equity attributable to the company's equity holders.

Bank borrowings

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

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after balance sheet date.

Finance charges, including premiums payable on settlement or redemption, and direct issue costs are charged to the income statement on an accruals basis using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Trade payables

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

Equity instruments

Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

Taxation

The charge for current tax is based on the results for the period as adjusted for items that are non-assessable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date. United Kingdom Corporation Tax is calculated at 19 per cent (2017: 20 per cent) of the estimated assessable profit for the year. The Company provides in full for deferred tax in respect of taxation deferred by timing differences between treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method.

Deferred tax liabilities are recognised for taxable temporary differences, and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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Taxation (cont.)

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Dividends

Dividends are recognised as a liability in the period in which they are declared and approved.

Borrowing costs

All borrowing costs are recognised in the income statement in the period in which they are incurred.

Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, 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 future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose only of the statement of cash flows.

Professional fees relating to business disposals

When the company incurs professional fees in respect of the potential disposal of a group component, these costs are carried forward and matched against the future proceeds of that transaction. If it becomes clear that the transaction will not occur, such costs are written off within the income statement.

Segmental reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns which are different from those of the segments operating in other economic environments.

Discontinued operations

Discontinued operations represent cash generating units or groups of cash generating units that have either been disposed of or classified as held for sale, and represent a major line of business or are part of a single co-ordinated plan to dispose of a separate major line of business. The post-tax profit or loss of the discontinued operation is presented as a single line on the face of the consolidated income statement, together with any post-tax gain or loss recognised on the measurement to fair value less costs to sell on the disposal of the assets or disposal group constituting the discontinued operation.

On changes to the composition of groups of units comprising discontinued operations, the presentation of discontinued operations within prior periods is restated to reflect consistent clarification of discontinued operations across all periods.

Axis Intermodal Limited
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3. Revenue

An analysis of the Group's revenue is as follows:

	Year ended 31 March 2018 £000	Year ended 31 March 2017 £000
Rendering of services	33,741	38,430
	33,741	38,430

4. Geographical and business segments

Geographical segments

The Group is organised primarily on a geographical basis. The Group's operations and assets are located in the United Kingdom and in the prior year in the United Kingdom and Europe (excluding UK). There were no trading transactions between geographical locations during the prior year.

	United Kingdom £000	Consolidated £000
2018		
Revenue		
External sales and total revenue	33,741	33,741
Result		
Segment result and operating loss	(3,481)	(3,481)
Operating loss	(3,481)	(3,481)
Interest receivable	2	2
Finance costs	(244)	(244)
Finance lease interest	(390)	(390)
Loss before tax	(4,113)	(4,113)
Tax	387	387
Loss after tax	(3,726)	(3,726)

	United Kingdom £000	Consolidated £000
Other information		
Capital additions	338	338
Depreciation and amortisation	1,994	1,994
Balance sheet		
Assets		
Segment assets	15,195	15,195
Liabilities		
Segment liabilities	16,042	16,042

	United Kingdom £000	Group £000
2017		
Revenue		
External sales and total revenue	38,430	38,430
Result		
Segment result and operating profit	(1,025)	(1,025)
Operating loss	(1,025)	(1,025)
Interest receivable	4	4
Finance costs	(58)	(58)
Finance lease interest	(397)	(397)
Loss before tax	(1,476)	(1,476)
Tax	267	267
Loss after tax	(1,209)	(1,209)

Axis Intermodal Limited
Notes to the Financial Statements

4. Geographical and business segments (cont.)

	United Kingdom £000	Consolidated £000
Other information		
Capital additions	4,000	4,000
Depreciation and amortisation	2,111	2,111
Balance sheet		
Assets		
Segment assets	16,490	16,490
Liabilities		
Segment liabilities	13,614	13,614

Business segments

For management purposes, the group has one business activity being the supply of transport and logistics equipment: truck and trailer hire. This business activity is the basis on which the group reports its secondary segment information.

The following table provides an analysis of the Group's sales by business activity, irrespective of the location of the goods/services:

	Sales revenue by business activity	
	Year ended 31 March 2018 £000	Year ended 31 March 2017 £000
Supply of transport and logistics equipment:		
Trucks and trailers	33,741	38,430
	33,741	38,430

The following is an analysis of the carrying amount of segment assets, and additions to property, plant and equipment and intangible assets, analysed by the business activity in which the assets are located:

	Carrying amount of segment net assets/(liabilities)		Capital additions by business activity	
	2018 £000	2017 £000	2018 £000	2017 £000
Supply of transport and logistics equipment:				
Trucks and trailers	(847)	2,876	338	4,000
	(847)	2,876	338	4,000

5. Loss from operations

Loss from operations has been arrived at after charging/(crediting):

	Total 2018 £000	2017 £000
Net foreign exchange (gain) / loss	-	(1)
Depreciation of property, plant and equipment		
- owned assets	140	244
- leased assets	1,854	1,867
Lease rentals:		
- contract hire equipment and vehicles	12,426	12,786
Staff costs (see note 6)	1,856	1,679
Exceptional operating expenses	3,368	459
(Profit) / Loss on disposal of property, plant and equipment	(57)	7
Auditors' remuneration	30	29

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5. Loss from operations (cont.)

Exceptional one off costs have been incurred in the year, £3,368,000 relating to additional costs incurred on assets extended, loss on disposal consultancy costs and management termination.

A more detailed analysis of auditor's remuneration on a worldwide basis is provided below.

	Year ended 31 March 2018 £000	Year ended 31 March 2017 £000
Audit services:		
Statutory audit of the parent company and Group	9	9
Other services:		
Statutory audit of subsidiaries	18	17
Tax services:		
Other services not covered above	3	3
	30	29

Included in auditor's remuneration is £9,300 in respect of the parent company audit fee (2017: £9,000).

Tax compliance costs relate to the preparation and submission of returns in the UK.

6. Staff costs

The average number of employees during the period, was as follows;

	2018 Number	2017 Number
Sales and customer services	30	26
Management and administration	10	7
	40	33

	£000	£000
Their aggregate remuneration comprised:		
Wages and salaries	1,580	1,451
Social security costs	205	189
Other retirement benefit costs	71	39
	1,856	1,679

	£'000	£000
Remuneration in respect of directors was as follows:		
Emoluments	780	840
Retirement benefits	20	24
	800	864

	£'000	£000
Remuneration of the highest paid director (including pension contributions)	595	595

Pension contributions totalling £Nil (2017: £Nil) were paid in respect of the highest paid director.

7. Finance costs

	2018 £000	2017 £000
Other interest payable	244	54
Total borrowing costs	244	54
Interest on obligations under hire purchase agreements	390	397

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8. Tax

	2018	2017
Analysis of (credit)/charge in the year (continuing operations)		
Current tax:	£000	£000
- United Kingdom taxation	(23)	(72)
	(23)	(72)
Deferred tax (see note 16)	410	(195)
Taxation	387	(267)

The standard rate of corporation tax in the UK is 19.25% (2017: 20%).

The movement for the period can be reconciled to the loss before tax in the Income Statement as follows:

	2018	2017
Reconciliation of the tax expense	£000	£000
Loss on ordinary activities before tax	(4,113)	(1,476)
Tax at the UK corporation tax rate of 19% (2017: 20%)	(781)	(295)
Effect of:		
Fixed asset differences	1	-
Expenses not deductible for tax purposes	12	15
Adjustment in respect of prior period	23	-
Deferred tax not recognised	274	-
Adjustment to closing deferred tax	410	195
Other short term timing differences	38	13
Current taxation (continuing operations)	(23)	(72)

9. Dividends

	Year ended 31 March 2018 £000	Year ended 31 March 2017 £000
Amounts recognised as distributions to equity holders in the period:		
Final dividend for the year ended 31 March 2017	-	-
Final dividend for the year ended 31 March 2018	-	-
	-	-

10. Fixed asset investments of the Company and Group operating companies detail

Shares held by the Company in the Group subsidiary undertakings at cost:

	2018	2017
Cost and net book value:	£000	£000
At 1 April 2017	6,173	6,173
Reclassified from goodwill during the year	-	-
At 31 March 2018	6,173	6,173

10. Fixed asset investments of the Company and Group operating companies detail (cont.)

The subsidiaries held by the Company (and included in the Group) consist of:

Name of subsidiary	Place of incorporation ownership (or registration) and operation	Proportion of voting interest %	Proportion of power held %	Formed / acquired	Nature of business
Axis Fleet Management Ltd	United Kingdom	100	100	10-Jul-01	Contract hire
Axis Fleet Management Leasing Ltd	United Kingdom	100	100	24-Jan-12	Contract hire

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11. Goodwill

	£000	£000
	Axis UK	Total
At 1 April 2017	2,260	2,260
At 31 March 2018	2,260	2,260

Goodwill has arisen on the acquisition of Axis UK and is recognised when the value of acquisition exceeds the value of the net assets of the acquisition.

An impairment review of goodwill is undertaken on an annual basis, or more frequently if there are indications that goodwill may be impaired. It is tested by comparing the carrying amount against the discounted cash flow projections of the cash generating unit. At 31 March 2018 the carrying amount was less than the projected cash flows, therefore no impairment is considered to have occurred.

In 2018 the cash generating units were deemed to be Axis Fleet Management Limited and Axis Intermodal Limited

Assumptions

Management, using their knowledge of the business, have assumed that the Axis UK business will grow at an average minimum growth rate of 5% from 2018 until 2020, based on the length of hire contracts, and the expected rate of renewal.

Due to managements' plans to increase the size of the fleet in Axis UK during 2019, sales growth in 2019 has been increased accordingly. An assumption regarding gross profit margins of the cash generating units has been made, based on the introduction of new management agreements which reduce the utilisation risk of the Group. The average profit margin used is 12% (excluding depreciation and interest on hire purchase obligations).

Additionally, management have assumed that average operating costs as a percentage of sales will be 13%. Note that this percentage excludes head office costs which are allocated across the cash generating units.

In order to calculate the net present value of future cash flows, a discount rate of 8% has been used, which represents the group's average cost of capital during the year.

Future revenues from new operating leases inception in the new period have been forecasted based on existing units.

Deferred tax has not been provided on goodwill.

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12. Property, plant and equipment - Group

GROUP	Contract hire equipment and vehicles £000	Office furniture and equipment £000	Total £000
Cost			
At 31 March 2016	11,217	127	11,344
Additions	3,970	30	4,000
Disposals	(1,253)	(1)	(1,254)
At 31 March 2017	13,934	156	14,090
Additions	20	318	338
Disposals	(1,168)	(20)	(1,188)
At 31 March 2018	12,786	454	13,240
Accumulated depreciation			
At 31 March 2016	3,847	66	3,913
Charge for the year	2,082	29	2,111
Eliminated on disposals	(787)	(1)	(788)
At 31 March 2017	5,142	94	5,236
Charge for the year	1,936	58	1,994
Eliminated on disposals	(931)	(20)	(951)
At 31 March 2018	6,147	132	6,279
Net book value			
At 31 March 2018	6,639	322	6,961
At 31 March 2017	8,792	62	8,854

The carrying amount of the Group's contract hire equipment and vehicles includes an amount of £6,899,836 (2017: £8,460,029) in respect of assets held under finance leases, on which depreciation charged in the period was £1,956,704 (2017: £1,866,565).

The leases for the assets held under finance leases are secured on the assets themselves.

12a. Property, plant and equipment - Company

COMPANY	Motor Vehicles £'000	Total £'000
Cost		
As at 31 March 2016	69	69
Additions	11	11
As at 31 March 2017	80	80
Additions	-	-
As at 31 March 2018	80	80
Accumulated depreciation		
At 31 March 2016	24	24
Charge for the year	12	12
At 31 March 2017	36	36
Charge for the year	12	12
As at 31 March 2018	48	48
Net book value		
At 31 March 2018	32	32
At 31 March 2017	44	44

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13. Trade and other receivables

Trade and other receivables of the Group and Company comprise the following:

	Group 2018 £000	Company 2018 £000	Group 2017 £000	Company 2017 £000
Trade receivables	2,549	2	2,155	18
Social security and other taxes	-	-	242	-
Other receivables	293	152	162	123
Prepayments and accrued income	2,856	2	2,771	13
	5,698	156	5,330	154

Trade receivables at the balance sheet date comprise amounts receivable from the sale of goods and services of £2,549,647 (2017: £2,154,340).

The fair value is included at the amount at which an instrument could be exchanged in a current transaction between willing parties, other than in a forced liquidation or sale. For trade and other receivables, fair value approximates the carrying value.

Impairments make adequate provision for the expected credit risk; concrete cases of default lead to the derecognition for the respective receivables.

No estimates or assumptions are applied in determining this fair value. Accrued income relates to commission income recognised on the placing of equipment orders.

14. Borrowings

	Group 2018 £000	Company 2018 £000	Group 2017 £000	Company 2017 £000
Cash at bank and in hand	19	19	46	46
Bank overdrafts	(280)	-	(332)	-
Cash and cash equivalents	(261)	19	(286)	46

The borrowings are repayable as follows:

On demand or within one year	280	-	332	-
In the second to fifth year	-	-	-	-
After five years	-	-	-	-
	280	-	332	-

Analysis of borrowings by currency:	Sterling £'000	Total £'000
31 March 2018		
Bank overdrafts	280	280
	280	280
31 March 2017		
Bank overdrafts	332	332
	Group and Company 2018	Group and Company 2017
The weighted average interest rates paid were as follows:	%	%
Bank overdrafts	3.25%	3.25%
Bank loans	-	-

Bank loans are arranged at fixed rates, negotiated annually, thus exposing the group to limited cash flow interest rate risk. No loans were however held in 2018. The other principal features of the Group's borrowings are as follows:

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14. Borrowings (cont.)

Bank overdrafts are repayable on demand. The average effective interest rate on bank overdrafts approximates 3.25% (2017: 3.5%) per annum and are determined based on 3.0% plus the bank's base rate.

At 31 March 2018, the Group had available £219,081 (2017: £167,433) of undrawn committed borrowing facilities in respect of which all conditions precedent had been met.

At the balance sheet date, the Company had committed to a mortgage debenture, date 12 May 2009, over all of the Company's assets and a Composite Cross Guarantee, dated 12 May 2009, between Axis Fleet Management Limited and Axis Intermodal Limited. Further, there is a Specific Counter Indemnity, dated 3 November 2009, limited to £150,000.

15. Trade and other payables

Trade and other payables - current

	Group 2018 £000	Company 2018 £000	Group 2017 £000	Company 2017 £000
Trade payables	2,919	59	2,337	55
Social security and other taxes	583	27	561	9
Other payables	1,435	13	23	-
Accruals and deferred income	2,342	-	1,038	18
	7,279	99	3,959	82

Trade and other payables - non-current

	Group 2018 £000	Company 2018 £000	Group 2017 £000	Company 2017 £000
Other payables	1,289	20	810	810
	1,289	20	810	810

16. Provisions for liabilities and charges

Deferred tax (asset) / liability- Group and Company

The provision for deferred taxation consists of the tax effect of timing differences in respect of excess taxation allowances over depreciation on property, plant and equipment.

Deferred tax losses available in the UK have been offset against the potential deferred tax liability arising on timing differences in respect of excess taxation allowances over depreciation on property, plant and equipment.

	2018 £000	2017 £000
Potential deferred tax liability arising on timing differences	191	276
UK tax losses available	(448)	(123)
Deferred tax liability at 31 March 2017	153	348
Movement within Income Statement during the period	(410)	(195)
	(257)	153

Provisions

	Group 2018 £000	Company 2018 £000	Group 2017 £000	Company 2017 £000
Provisions	605	-	-	-

Provisions relate to future losses on non productive fleet that will be disposed of during future periods.

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17. Obligations under finance leases - Group and Company

	Minimum lease payments		Present value of lease payments	
	2018	2017	2018	2017
	£000	£000	£000	£000
Amounts payable under finance leases:				
Within one year	2,893	3,007	2,629	2,537
In the second to fifth years	4,700	6,103	3,794	5,505
After five years	34	80	-	70
	7,727	9,190	6,423	8,112
Less: future finance charges	(1,304)	(1,078)	-	-
Present value of lease obligations	6,423	8,112	6,423	8,112
Less: Amount due for settlement within 12 months (shown under current liabilities)	(2,629)	(2,537)	(2,629)	(2,537)
Amount due for settlement after 12 months	3,794	5,575	3,794	5,575

The Company had no obligations under finance leases at 31 March 2018 and 2017.

It is the Group's policy to lease certain of its assets under finance leases. The average lease term is 5 years.

For the year ended 31 March 2018, the average effective borrowing rate was 6.86% (2017: 6.30%). Interest rates are fixed at the contract date.

All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

All sub-leases are designed to match the term of the finance lease; therefore, future minimum sub lease payments are expected to be at a minimum the value of the group's future obligations under those leases.

Security is held on future rental receipts in the form of customer deposits.

The Group's obligations under finance leases are secured by the lessors' charges over the leased assets.

18. Liabilities - amounts falling due after one year

	Group	Company	Group	Company
	2018	2018	2017	2017
	£000	£000	£000	£000
Amounts owed to other Group companies	-	1,511	-	945

19. Share capital - Group and Company

			2018	2017
			£000	£000
Authorised:				
80 million ordinary shares of 5p each	4,000	4,000	4,000	4,000
Issued and fully paid:				
67,580,880 ordinary shares of 5p each	-	3,379	-	3,379

At 31 March 2018, all group shares were held within the Company, and 1,000,000 share options (2017: 1,300,000) were outstanding in favour of subsidiary's directors, and 380,000 (2017: 525,000) were outstanding in favour of employees which were issued at an average exercise price of 5.0p (2017: 5.0p) per share and exercisable at any time between August 2014 and January 2028 depending on the respective grant dates. See note 26 for further details.

All ordinary shares have equal rights.

20. Share premium - Group and Company

	Total
	£000
At 1 April 2017 and at 31 March 2018	1,091

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21. Contingent liabilities

There were no contingent liabilities at 31 March 2017 or 31 March 2018.

22. Operating lease arrangements

At 31 March 2018, the Company had no operating lease commitments, and the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2018	2017
	£000	£000
Within one year	16,233	15,849
In the second to fifth years inclusive	19,014	29,847
After five years	491	1,395
	35,738	47,091

Operating lease payments represent payments to funders for the use of assets purchased on Axis's behalf.

The company and group as lessor

The leases shown in the lease commitments detail above will have associated revenues that will come due as follows:

	2018	2017
	£000	£000
Within one year	22,778	22,739
In the second to fifth years inclusive	27,214	43,891
After five years	816	2,090
	50,808	68,720

The Company is not a lessor. However, the Group hires equipment to the supply chain management and logistics industry, on a contract hire basis (i.e., supply of equipment and its maintenance).

Contract hire and commission income earned during the year was £26.4 million (2017: £38.4 million).

It is the Group's policy to lease its assets held under operating leases. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

All sub-leases are designed to match the term of the operating lease, therefore future minimum sub lease payments are expected to be at a minimum the value of the groups future obligations under those leases. Security is held over the lessees' charges in the form of deposits.

All lease obligations are denominated in sterling.

The fair value of the Group's lease obligations approximates their carrying amount.

The Group's obligations under operating leases are secured by the lessors' charges over the leased assets.

Disclosure of management of risks can be found in note 27.

23. Share based payments

During the year, the Company and Group operated the Intermodal Resource Approved Option Scheme (with Unapproved Schedule) (the "Option Scheme"), to incentivise employees.

The Company and Group have applied the requirements of IFRS 2, Share-based Payment to all the options and warrants granted after November 2002 and which had not vested on 1 January 2006.

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24. Share based payments (cont.)

Option Scheme

The Option Scheme provides for a grant price equal to the market value of the Company's shares on the date of grant, as agreed with HMRC Shares and Assets Valuation Division. The vesting period is three years from the date of the grant. If any of the options remain unexercised after a period of ten years from the date of grant, the options expire. Furthermore, options are forfeited if the employee leaves the Group before the options are exercised.

All options are equity settled.

	2018		2017	
	Options	Weighted average exercise price (in £)	Options	Weighted average exercise price (in £)
Outstanding at 1 April	1,825,000	0.0598	1,905,000	0.0532
Granted during the period	500,000	0.0500	1,600,000	0.0598
Exercised during the period	-	-	(1,530,000)	0.0532
Forfeited during the period	(845,000)	0.0598	(150,000)	0.0598
Outstanding at 31 March	1,380,000	0.0510	1,825,000	0.0532

The options outstanding at 31 March 2018 had a weighted average remaining contractual life of 3 years (3.8 years in 2017).

The fair value of the options was calculated using the Black Scholes model. The inputs were as follows:

Date of grant	Estimated fair value	Share price	Exercise price	Expected volatility	Expected life	Risk free rate
18 August 2010	£0.0030	£0.0275	£0.0500	39.2442%	3 years	5.0100%
21 January 2011	£0.0040	£0.0275	£0.0500	39.2442%	3 years	5.3900%
17 August 2011	£0.0438	£0.0800	£0.0500	40.0000%	4 years	5.0000%
13 September 2012	£0.0300	£0.0800	£0.0800	40.0000%	4 years	4.2500%
9 January 2017	£0.0200	£0.0500	£0.0500	40.0000%	3 years	4.2500%
19 February 2018	£0.0200	£0.0500	£0.0500	40.0000%	3 years	4.2500%

Expected volatility was determined by calculating the standard deviation of daily continuously compounded returns of peer group companies' (listed on AIM and operating in the Transport and Plant and Equipment Leasing industries) share prices calculated back from the date of grant and adjusted, based on management's best estimate, for the effects of non-transferability, exercise expected life used in the model has restrictions, and behavioural considerations.

In calculating the IFRS 2 charge, management has assumed no dividend yield at the date of grant for all options.

At the period end, all of the share options were exercisable at less than the share price. In the view of management, there is a possibility that some of these options will be exercised, but a percentage will lapse due to staff turnover.

Of options granted in earlier periods, 225,000 are exercisable now.

Management estimates the lapse rate on these options to be 11 per cent.

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25. Retirement benefit schemes

Defined contribution schemes

The Company and Group contribute towards some employees' own pension schemes.

The total cost charged to the income statement of £81,207 (2017: £38,722) represents contributions payable to these schemes by the Group at rates specified in the rules of the plans. As at 31 March 2018, contributions of £1,404 (2017: £nil) due in respect of the current reporting period had not been paid over to the schemes.

26. Related party transactions

Transactions between the company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

Sphere Holdings Limited is a company controlled by Stephen Ball and subsequently reimbursed. At the year end, a balance of £1,152,638 (2017: £810,000) was owed to Sphere Holdings Limited.

During the year, fees totalling £30,000 (2017: £30,000) were paid to Sphere Holdings Limited in respect of management services provided by the director Stephen Ball.

During the year, fees totalling £300,000 (2017: £327,833) were paid to the director, Robert Montague, in respect of management services provided to the company. At 31 March 2018, amounts totalling £149,829 (2017: £124,794) are owed to the company by Robert Montague. At 31 March 2018, amounts totalling £136,683 (2017: £Nil) are owned by Axis Fleet Management Limited to Robert Montague.

Remuneration of key management personnel

The remuneration of the directors, who are the key management personnel of the group, is set out below in aggregate for each of the categories specified in IAS 24 Related Party Disclosures.

	2018	2017
	£000	£000
Short-term employee benefits	780	1,362
Post-employment benefits	-	-
Share-based payment - charge	-	-
Short-term employee benefits	780	1,362

27. Financial risk management

The Group's financial instruments comprise borrowings, cash and liquid resources, and various items such as trade receivables and trade creditors, that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Group's operations. The main risks arising from the group's financial instruments are interest rate risk, liquidity risk and foreign currency risk. The board reviews and agrees policies for managing each of these risks and they are summarised below.

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27. Financial risk management (cont.)

Credit risk

Credit risk is the risk that the counterparty will fail to discharge their obligation.

The Group's principal financial assets are bank balances and cash and trade and other receivables, which represent the group's maximum exposure to credit risk in relation to financial assets. At 31 March 2018, cash and cash equivalents represented £19k (2017: £46k) and therefore do not constitute any credit risk.

The Group's credit risk is primarily attributable to its trade receivables. The average credit period taken on sales of goods is 35 days (2017: 20 days). This has been calculated by dividing total debtors by total sales and multiplying by 365. No interest is charged on the receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables, estimated by the Group's management based on prior experience and their assessment of the current economic environment. The directors consider that the carrying amount of trade and other receivables approximates their fair value.

Summary of financial assets

	2018		2017	
	receivables	receivables	receivables	receivables
	£000's	£000's	£000's	£000's
Neither past due nor impaired	1,540	293	1,517	162
Past due but not impaired	1,010	-	638	-
Impaired	-	-	-	-
Gross	2,550	293	2,155	-

Summary of financial assets past due

	2018		2017	
	receivables	receivables	receivables	receivables
	£000's	£000's	£000's	£000's
Past due up to 30 days	533	-	409	-
Past due 31 to 60 days	179	-	79	-
Past due greater than 61 days	298	-	150	-
Total	1,010	-	638	-
Fair value of collateral held	166	-	248	-

Assets which have been impaired relate to debts during the year which have been identified as irrecoverable. There are no amounts held as customer deposits relating to impaired assets (2017: £nil)

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

The Group's short term cash and cash equivalents are deposited with a high credit rated commercial banks (typically credit rating of A+ or higher).

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27. Financial risk management (cont.)

New customers are subject to an initial credit assessment using external credit reference agencies and trade references are confirmed. These credit limits are reviewed on an on going basis and subject to senior management oversight. In the majority of cases, a deposit of one months' rental is held. At the period end the fair value of this was £165,895 (2017: £247,743). The payment position of past due trade receivables is monitored daily and actively managed.

The debtor profile at the period end relates to limited companies, and therefore are not a high credit risk.

Liquidity risk

As regards liquidity, the Group's policy has been that, to ensure continuity of funding, the company will have little or no borrowings and any borrowings will be scheduled for repayment over several years.

At 31 March 2018, the Group had no borrowings. Short term flexibility is achieved by overdraft facilities.

The Group guarantees a sufficient liquidity at all times by efficient cash management, and by engaging only with credit-worthy customers.

The Group does not engage in speculative activity, and avoids using complex financial instruments.

Exposure to banks and other credit institutions must meet high credit ratings as assessment by international credit-rating agencies.

Floating rate financial liabilities

Sterling denominated borrowings bear interest at rates related to the sterling base rate. The Euro denominated borrowings bear interest at rates related to the Euro base rate.

Fixed rate financial liabilities

The fixed rate financial liabilities amount to £6,423,583 (2017: £8,111,626) with an average interest rate of 6.86% (2017: 6.30%.) with a weighted average repayment term of 23 months (2017: 18 months).

Interest rate risk

The Group's policy on interest rate risk management requires that the amount of net borrowings at fixed rates increases with the ratio of forecast net interest payable to trading profit.

This policy is consistent with prior periods.

The Group finances its operations through a mixture of equity capital and borrowings and borrows in the desired currencies at both fixed and floating rates of interest.

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27. Financial risk management (cont.)

By splitting the balance sheet information between floating and fixed rate financial instruments (including debtors and creditors) and by currency, the quantitative requirements should be met.

Interest rate risk profile of financial assets and financial liabilities at 31 March 2018:

	No rate applied	Floating rate	Fixed rate	Total
	£000	£000	£000	£000
Financial assets				
Sterling	15,195	-	-	15,195
Euro	-	-	-	-
USD	-	-	-	-
	15,195	-	-	15,195

	No rate applied	Floating rate	Fixed rate	Total
	£000	£000	£000	£000
Financial liabilities				
Sterling	9,619	-	6,423	16,042
Euro	-	-	6	6
USD	-	-	-	-
	9,619	-	6,429	16,048

Interest rate risk profile of financial assets and financial liabilities at 31 March 2017:

	No rate applied	Floating rate	Fixed rate	Total
	£000	£000	£000	£000
Financial assets				
Sterling	16,490	-	-	16,490
Euro	-	-	-	-
USD	-	-	-	-
	16,490	-	-	16,490

	No rate applied	Floating rate	Fixed rate	Total
	£000	£000	£000	£000
Financial liabilities				
Sterling	5,502	-	8,112	13,614
Euro	-	-	-	-
USD	-	-	-	-
	5,502	-	8,112	13,614

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27. Financial risk management (cont.)

Foreign currency risk

Foreign currency transaction exposure is not hedged.

The Company and Group's policies are to match local currency income with local currency costs.

Intra-group trading transactions are matched centrally, and intra-group payment terms are managed to reduce risk. The Company and Group seek to denominate borrowings in currencies of its principal assets and cash flows. These are Sterling and Euros.

This policy is consistent with prior periods.

Analysis of financial instruments

Financial assets of the group consist of loans and receivables.

All financial liabilities held are at amortised cost.

Financial instruments held by the Group and their fair value at 31 March 2018 were as follows:

	Sterling £000	Book and fair value £000
Financial assets		
Short term debtors	5,698	5,698
Cash at bank and in hand	19	19
Non financial assets	9,478	9,478
	15,195	15,195
Financial liabilities		
Short term creditors	8,568	8,568
Bank loans and overdrafts	280	280
Obligations under finance leases	6,423	6,423
Non financial liabilities	771	771
	16,042	16,042

Financial instruments held by the Group and their fair value at 31 March 2017 were as follows:

	Sterling £000	Book and fair value £000
Financial assets		
Short term debtors	5,330	5,330
Cash at bank and in hand	46	46
Non financial assets	11,114	11,114
	16,490	16,490
Financial liabilities		
Short term creditors	4,769	4,769
Bank loans and overdrafts	332	332
Obligations under finance leases	8,112	8,112
Non financial liabilities	401	401
	13,614	13,614

27. Financial risk management (cont.)

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There is no material difference between book values and fair values calculated by discounting cash flows at prevailing interest rates.

Sensitivity analysis

Exchange rates applied as at 31 March 2018 EUR

1 Pound Sterling :	1.1366
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Exchange rates applied as at 31 March 2017 EUR

1 Pound Sterling :	1.1689
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Market movements over the year to 31 March 2018

Market high	1.3376
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Market low	1.0781
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Market average	1.1338
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The directors do not consider any of the potential exposures, as disclosed above to have a significant effect on the Group.

28. Capital management

The Groups' objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'borrowing' and 'trade and other payables' as shown in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated balance sheet plus net debt.

Table of managed equity	£000	£000
Total borrowings	6,703	8,444
Less: cash and cash equivalents (note 17)	(19)	(46)
Net debt	6,684	8,398
Total equity	(847)	2,876
Total capital	5,837	11,274
Gearing ratio	114.51%	74.49%

For a reconciliation of movements in equity see the Consolidated Statement of Changes in Equity.

29. Controlling party

The Company is under the control of its directors by virtue of their direct and indirect shareholding.