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Company Registration No 05059978 (England and Wales)

AQUILA GROUP (UK) LIMITED
ANNUAL REPORT
FOR THE PERIOD ENDED 30 JUNE 2012

THURSDAY



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AQUILA GROUP (UK) LIMITED

DIRECTOR AND ADVISERS

Director	G Mullaney
Secretary	M Cunningham
Company number	05059978
Registered office	Westgate Aldridge Walsall West Midlands WS9 8EZ
Registered auditors	DJH Accountants Limited Porthill Lodge High Street Wolstanton Newcastle under Lyme Staffordshire ST5 0EZ

AQUILA GROUP (UK) LIMITED

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AQUILA GROUP (UK) LIMITED

DIRECTOR'S REPORT

FOR THE PERIOD ENDED 30 JUNE 2012

The director presents his report and financial statements for the period ended 30 June 2012

Principal activities and review of the business

The group's principal activity is the provision of aftermarket support to commercial vehicle operators. It operates across 6 sites in the Midlands and is employing approximately 165 people and in addition is present on a number of our customer's sites, providing first rate service where it is needed.

The group company has been created to accommodate the new and future trading that is being taken on. Principally at this time the acquisition of a Caterpillar Compact franchise. The group acquired Aquila Truck Centres Ltd during this period. The profit and loss account is set on page 5 and shows turnover for the year of £1,999,802. Gross profit for the company was £723,609. Profit before taxation of £75,194 was 3.7% of turnover. 2012 has offered some exciting new opportunities for our business. The company's appointment as a CAT compact dealer under the umbrella of Aquila Construction Equipment Ltd, gives the opportunity to utilise our expertise in maintenance and customer service and gives additional revenue streams into our existing infrastructure. Aquila Truck Centres Limited was also appointed as a main franchised dealer of Isuzu Commercial Vehicles at all of its locations, a relationship that is expected to offer significant advantages to both Isuzu UK and Aquila. Both of these opportunities occurred in the last quarter and given the lack of time have had little impact on the turnover or profitability of the business. They have however had a distorting effect on the balance sheet with addition of additional funding lines for the Isuzu capital stock and the increased creditors caused by the free stocking period on the Caterpillar equipment. Consequently the Gearing at year end looks significantly worse than would otherwise be the case.

Principal risks and uncertainties

As with any business the directors are aware that risks exist which can adversely affect the performance of the company. The directors have taken steps to identify and monitor these risks to assist in minimising their impact. We continue to work closely with our customers to understand their needs and are focused on ensuring our business structure allows Aquila to continue to offer excellent service at a competitive price, particularly when costs are such a driver in many of our customers businesses.

Investments

The investment in G-volution Ltd, a start-up company working in the allied field of dual fuel systems in commercial vehicles, continues to offer good potential upside and the directors are confident that this investment will prove to have significant long term benefits for the company.

Financial Instruments

The company holds financial instruments to fund its operations and manages risks arising from these operations and its sources of finance in accordance with its accounting policies. In addition, various financial instruments such as trade debtors, amounts recoverable on contracts and trade creditors arise directly from the company's operations. The company performs credit checks for all significant customers to minimise bad debt risk. Operations and working capital requirements are funded principally by short term banking facilities and retained profits.

Results and dividends

The consolidated profit and loss account for the period is set out on page 5.

Interim ordinary dividend were paid amounting to £34,224. The director does not recommend payment of a final dividend.

Director

The following director has held office since 1 April 2011.

G Mullaney

Auditors

DJH Accountants Limited were appointed auditors to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

AQUILA GROUP (UK) LIMITED

DIRECTOR'S REPORT (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2012

Statement of director's responsibilities

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the group and of the profit or loss of the group for that period. In preparing these financial statements, the director is required to

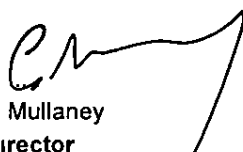
- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,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

The director is 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 the group and enable him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

Statement of disclosure to auditors

So far as the director is aware, there is no relevant audit information of which the group's auditors are unaware. Additionally, the director has taken all the necessary steps that he ought to have taken as director in order to make himself aware of all relevant audit information and to establish that the group's auditors are aware of that information.

On behalf of the board


G Mullaney
Director

06.03.13

Date

AQUILA GROUP (UK) LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF AQUILA GROUP (UK) LIMITED

We have audited the group and parent company financial statements (the "financial statements") of Aquila Group (UK) Limited for the period ended 30 June 2012 set out on pages 5 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of director and auditors

As explained more fully in the Director's Responsibilities Statement set out on pages 1 - 2, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the director, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

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 30 June 2012 and of the group's profit for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Director's Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

AQUILA GROUP (UK) LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF AQUILA GROUP (UK) LIMITED

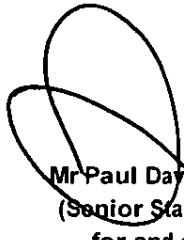
Matters on which we are required to report by exception

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

Porthill Lodge
High Street
Wolstanton
Newcastle under Lyme
Staffordshire
ST5 0EZ

27/3/13



Mr Paul David Hulme FCCA
(Senior Statutory Auditor)
for and on behalf of
DJH ACCOUNTANTS LIMITED

Chartered Certified Accountants
Registered Auditor

AQUILA GROUP (UK) LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 30 JUNE 2012

		Period ended 30 June 2012		Year ended 31 March 2011	
	Notes	£	£	£	£
Turnover	2				
Continuing operations		-		-	
Acquisitions		1,999,802		-	
			1,999,802		-
Cost of sales			(1,276,193)		-
Gross profit			723,609		-
Administrative expenses			(637,242)		-
Other operating income			6,831		-
Operating profit	4		93,198		-
Continuing operations		-		-	
Acquisitions		93,198		-	
			93,198		-
Interest payable and similar charges	5		(18,004)		-
Profit on ordinary activities before taxation			75,194		-
Tax on profit/(loss) on ordinary activities	6		(32,986)		-
Profit on ordinary activities after taxation	19		42,208		-

There are no recognised gains and losses other than those passing through the profit and loss account

AQUILA GROUP (UK) LIMITED

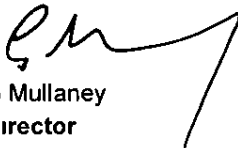
BALANCE SHEETS

AS AT 30 JUNE 2012

	Notes	Group 2012 £	2011 £	Company 2012 £	2011 £
Fixed assets					
Intangible assets	9	680,890	-	-	-
Tangible assets	10	603,130	-	-	-
Investments	11	105,511	-	1,300,000	-
		<u>1,389,531</u>	<u>-</u>	<u>1,300,000</u>	<u>-</u>
Current assets					
Stocks	12	1,575,898	-	-	-
Debtors	13	3,799,463	1	1,000	1
Cash at bank and in hand		2,593	-	-	-
		<u>5,377,954</u>	<u>1</u>	<u>1,000</u>	<u>1</u>
Creditors' amounts falling due within one year	14	(5,164,271)	-	-	-
Net current assets		<u>213,683</u>	<u>1</u>	<u>1,000</u>	<u>1</u>
Total assets less current liabilities		<u>1,603,214</u>	<u>1</u>	<u>1,301,000</u>	<u>1</u>
Creditors' amounts falling due after more than one year	15	(294,230)	-	-	-
		<u>1,308,984</u>	<u>1</u>	<u>1,301,000</u>	<u>1</u>
Capital and reserves					
Called up share capital	18	1,100	1	1,100	1
Share premium account	19	1,299,900	-	1,299,900	-
Profit and loss account	19	7,984	-	-	-
Shareholders' funds	20	<u>1,308,984</u>	<u>1</u>	<u>1,301,000</u>	<u>1</u>

Approved by the Board and authorised for issue on

26/03/13


G Mullaney
Director

Company Registration No 05059978

AQUILA GROUP (UK) LIMITED

CONSOLIDATED CASH FLOW STATEMENT

FOR THE PERIOD ENDED 30 JUNE 2012

	Period ended 30 June 2012		Year ended 31 March 2011	
	£	£	£	£
Net cash outflow from operating activities		(215,388)		-
Returns on investments and servicing of finance				
Interest paid	(18,004)		-	
Net cash outflow for returns on investments and servicing of finance		(18,004)		-
Capital expenditure				
Payments to acquire tangible assets	(24,327)		-	
Receipts from sales of tangible assets	1,600		-	
Net cash outflow for capital expenditure		(22,727)		-
Acquisitions and disposals				
Net overdrafts acquired with subsidiary	(578,751)		-	
Net cash outflow for acquisitions and disposals		(578,751)		-
Equity dividends paid		(34,224)		-
Net cash outflow before management of liquid resources and financing		(869,094)		-
Financing				
Issue of ordinary share capital	999		-	
Repayment of long term bank loan	(16,666)		-	
Repayment of other long term loans	(760)		-	
Capital element of hire purchase contracts	(22,864)		-	
Net cash inflow/(outflow) from financing		(39,291)		-
Decrease in cash in the period		(908,385)		-

AQUILA GROUP (UK) LIMITED

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

FOR THE PERIOD ENDED 30 JUNE 2012

1 Reconciliation of operating profit to net cash outflow from operating activities	2012	2011
	£	£
Operating profit/(loss)	93,198	-
Depreciation of tangible assets	49,636	-
Amortisation of intangible assets	8,599	-
Profit on disposal of tangible assets	(1,600)	-
(Increase)/decrease in stocks	(561,151)	-
Increase in debtors	(355,610)	-
Increase in creditors within one year	551,540	-
Net cash outflow from operating activities	(215,388)	-

2 Analysis of net debt	1 April 2011	On Acquisition	Cash flow	Other non-cash changes	30 June 2012
	£	£	£	£	£
Net cash					
Cash at bank and in hand	-	-	2,593	-	2,593
Bank overdrafts	-	-	(910,978)	-	(910,978)
	-	-	(908,385)	-	(908,385)
Finance leases	-	(328,349)	(6,872)	-	(335,221)
Debts falling due within one year	-	(104,560)	-	-	(104,560)
Debts falling due after one year	-	(147,906)	17,426	-	(130,480)
	-	(580,815)	10,554	-	(570,261)
Net debt	-	(580,815)	(897,831)	-	(1,478,646)

3 Reconciliation of net cash flow to movement in net debt	2012	2011
	£	£
Decrease in cash in the period	(908,385)	-
Cash inflow from increase in debt and lease financing	(570,261)	-
Movement in net debt in the period	(1,478,646)	-
Opening net debt	-	-
Closing net debt	(1,478,646)	-

AQUILA GROUP (UK) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2012

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1.3 Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 30 June 2012. The results of subsidiaries sold or acquired are included in the profit and loss account up to, or from the date control passes. Intra-group sales and profits are eliminated fully on consolidation.

1.4 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.5 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	2-10 years straight line on cost
Office equipment	2-5 years straight line on cost
Fixtures, fittings and equipment	2-6 years straight line on cost
Motor vehicles	2-5 years straight line on cost

1.7 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.8 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.9 Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value.

1.10 Pensions

The Group operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the period they are payable.

AQUILA GROUP (UK) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2012

1 Accounting policies

(continued)

1.11 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.12 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

2 Turnover

The total turnover of the group for the period has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Cost of sales and net operating expenses

The total figures for continuing operations in 2012 include the following amounts relating to acquisitions: cost of sales £1,276,193, administrative expenses £637,242 and other operating income £6,831.

4 Operating profit

	2012 £	2011 £
Operating profit is stated after charging		
Amortisation of intangible assets	8,599	-
Depreciation of tangible assets	49,636	-
Operating lease rentals		
- Plant and machinery	7,547	-
- Other assets	164,298	-
Auditors' remuneration (company £2,500, 2011 £-)	12,500	-
and after crediting		
Profit on disposal of tangible assets	(1,600)	-

5 Interest payable

	2012 £	2011 £
On bank loans and overdrafts	3,308	-
Hire purchase interest	5,296	-
On amounts payable to factors	6,947	-
Other interest	2,453	-
	18,004	-

AQUILA GROUP (UK) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2012

6	Taxation	2012 £	2011 £
	Domestic current year tax		
	U K corporation tax	32,986	-
	Total current tax	32,986	-
	Factors affecting the tax charge for the period		
	Profit on ordinary activities before taxation	75,194	-
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 25.23% (2011 - 0.00%)	18,971	-
	Effects of		
	Non deductible expenses	4,333	-
	Depreciation add back	13,149	-
	Capital allowances	(7,911)	-
	Other tax adjustments	4,444	-
		14,015	-
	Current tax charge for the period	32,986	-

7 Profit for the financial period

As permitted by section 408 Companies Act 2006, the holding company's profit and loss account has not been included in these financial statements. The profit for the financial period is made up as follows:

	2012 £	2011 £
Holding company's profit for the financial period	34,224	-

8	Dividends	2012 £	2011 £
	Ordinary interim paid	34,224	-

AQUILA GROUP (UK) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2012

9 Intangible fixed assets Group

	Goodwill £
Cost	
At 1 April 2011	-
At acquisition	550,001
Additions	479,919
	<hr/>
At 30 June 2012	1,029,920
	<hr/>
Amortisation	
At 1 April 2011	-
At acquisition	340,431
Charge for the period	8,599
	<hr/>
At 30 June 2012	349,030
	<hr/>
Net book value	
At 30 June 2012	680,890
	<hr/>
At 31 March 2011	-
	<hr/>

Goodwill is written off over its expected useful life which does not exceed 20 years

AQUILA GROUP (UK) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2012

10 Tangible fixed assets

Group	Plant and machinery	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 April 2011	-	-	-	-
At acquisition	696,995	838,979	718,350	2,254,324
Additions	18,327	-	6,000	24,327
Disposals	-	-	(9,099)	(9,099)
At 30 June 2012	715,322	838,979	715,251	2,269,552
Depreciation				
At 1 April 2011	-	-	-	-
At acquisition	604,601	482,400	538,884	1,625,885
On disposals	-	-	(9,099)	(9,099)
Charge for the period	10,790	25,584	13,262	49,636
At 30 June 2012	615,391	507,984	543,047	1,666,422
Net book value				
At 30 June 2012	99,931	330,995	172,204	603,130
At 31 March 2011	-	-	-	-

The value of tangible fixed assets includes £333,427 (2011 - nil) in respect of assets held under finance leases or hire purchase contracts. The related depreciation charge of such assets amounted to £27,584 (2011 - nil) for the year.

AQUILA GROUP (UK) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2012

11 Fixed asset investments Group

	Unlisted investments £	Total £
Cost		
At 1 April 2011	-	-
At acquisition	105,511	105,511
Additions	-	-
	<hr/>	<hr/>
At 30 June 2012	105,511	105,511
	<hr/>	<hr/>
Net book value		
At 30 June 2012	105,511	105,511
	<hr/>	<hr/>
At 31 March 2011	-	-
	<hr/>	<hr/>

Company

	Shares in group undertakings £
Cost	
At 1 April 2011	-
Additions	1,300,000
	<hr/>
At 30 June 2012	1,300,000
	<hr/>
Net book value	
At 30 June 2012	1,300,000
	<hr/>
At 31 March 2011	-
	<hr/>

In the opinion of the director, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies

Company	Country of registration or incorporation	Shares held Class	%
Subsidiary undertakings			
Aquila Truck Centres Limited	England and Wales	Ordinary	100

AQUILA GROUP (UK) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2012

11 Fixed asset investments

(continued)

The principal activity of these undertakings for the last relevant financial year was as follows

	Principal activity
Aquila Truck Centres Limited	Aftermarket support to commercial vehicle operators

12 Stocks and work in progress

	Group 2012 £	2011 £	Company 2012 £	2011 £
Raw materials and consumables	830,164	-	-	-
Work in progress	178,186	-	-	-
Finished goods and goods for resale	567,548	-	-	-
	<u>1,575,898</u>	<u>-</u>	<u>-</u>	<u>-</u>

13 Debtors

	Group 2012 £	2011 £	Company 2012 £	2011 £
Trade debtors	2,458,777	-	-	-
Amounts owed by participating interests	180,133	-	-	-
Corporation tax	121,156	-	-	-
Other debtors	669,297	1	1,000	1
Prepayments and accrued income	341,100	-	-	-
Deferred tax asset (see note 16)	29,000	-	-	-
	<u>3,799,463</u>	<u>1</u>	<u>1,000</u>	<u>1</u>

AQUILA GROUP (UK) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2012

14 Creditors . amounts falling due within one year

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Bank loans and overdrafts	1,010,978	-	-	-
Net obligations under finance lease and hire purchase contracts	171,471	-	-	-
Trade creditors	2,878,398	-	-	-
Corporation tax	196,780	-	-	-
Other taxes and social security costs	381,477	-	-	-
Other creditors	15,000	-	-	-
Accruals and deferred income	510,167	-	-	-
	<u>5,164,271</u>	<u>-</u>	<u>-</u>	<u>-</u>

The bank loan and overdraft are secured by fixed and floating charges over the assets of the group

The invoice discount creditor is secured on the trade debtors of the subsidiary company

AQUILA GROUP (UK) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2012

15 Creditors : amounts falling due after more than one year

	Group 2012 £	2011 £	Company 2012 £	2011 £
Bank loans	121,200	-	-	-
Other loans	9,280	-	-	-
Net obligations under finance leases and hire purchase agreements	163,750	-	-	-
	<u>294,230</u>	<u>-</u>	<u>-</u>	<u>-</u>
Analysis of loans				
Wholly repayable within five years	235,040	-	-	-
Included in current liabilities	(104,560)	-	-	-
	<u>130,480</u>	<u>-</u>	<u>-</u>	<u>-</u>
Loan maturity analysis				
In more than one year but not more than two years	104,560	-	-	-
In more than two years but not more than five years	25,920	-	-	-
	<u>130,480</u>	<u>-</u>	<u>-</u>	<u>-</u>

The bank loan is secured by fixed and floating charges over the assets of the company

Net obligations under finance leases and hire purchase contracts

Repayable within one year	171,471	-	-	-
Repayable between one and five years	163,750	-	-	-
	<u>335,221</u>	<u>-</u>	<u>-</u>	<u>-</u>
Included in liabilities falling due within one year	(171,471)	-	-	-
	<u>163,750</u>	<u>-</u>	<u>-</u>	<u>-</u>

AQUILA GROUP (UK) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2012

16 Provisions for liabilities

The deferred tax asset (included in debtors, note 13) is made up as follows

	Group 2012 £	Company 2012 £
Balance at 1 April 2011	-	-
At acquisition	(29,000)	-
Balance at 30 June 2012	(29,000)	-

	Group 2012 £	2011 £	Company 2012 £	2011 £
(Decelerated)/accelerated capital allowances	(29,000)	-	-	-

17 Pension and other post-retirement benefit commitments

Defined contribution

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

	2012 £	2011 £
Contributions payable by the group for the period	10,169	-

18 Share capital

	2012 £	2011 £
Allotted, called up and fully paid		
660 Ordinary shares of £1 each	660	1
440 Ordinary 'A' shares of £1 each	440	-
	1,100	1

During the year 599 ordinary shares of £1 each and 400 ordinary 'A' shares of £1 each were allotted and fully paid at par for cash consideration.

An additional 60 ordinary shares of £1 each and 40 ordinary 'A' shares of £1 each were issued in exchange for shares in Aquila Truck Centres Limited.

AQUILA GROUP (UK) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2012

19 Statement of movements on reserves Group

	Share premium account £	Profit and loss account £
Profit for the period	-	42,208
Premium on shares issued during the year	1,299,900	-
Dividends paid	-	(34,224)
Balance at 30 June 2012	<u>1,299,900</u>	<u>7,984</u>

Company

	Share premium account £	Profit and loss account £
Profit for the period	-	34,224
Premium on shares issued during the year	1,299,900	-
Dividends paid	-	(34,224)
Balance at 30 June 2012	<u>1,299,900</u>	<u>-</u>

AQUILA GROUP (UK) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2012

20	Reconciliation of movements in shareholders' funds	2012	2011
	Group	£	£
	Profit for the financial period	42,208	-
	Dividends	(34,224)	-
		<u>7,984</u>	<u>-</u>
	Proceeds from issue of shares	1,300,999	-
		<u>1,308,983</u>	<u>-</u>
	Net addition to shareholders' funds	1,308,983	-
	Opening shareholders' funds	1	1
		<u>1,308,984</u>	<u>1</u>
	Closing shareholders' funds	<u>1,308,984</u>	<u>1</u>
		2012	2011
	Company	£	£
	Profit for the financial period	34,224	-
	Dividends	(34,224)	-
		<u>-</u>	<u>-</u>
	Proceeds from issue of shares	1,300,999	-
		<u>1,300,999</u>	<u>-</u>
	Net addition to shareholders' funds	1,300,999	-
	Opening shareholders' funds	1	1
		<u>1,301,000</u>	<u>1</u>
	Closing shareholders' funds	<u>1,301,000</u>	<u>1</u>

21 Financial commitments

At 30 June 2012 the group had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2012	2011	2012	2011
	£	£	£	£
Expiry date				
Within one year	-	-	32,734	-
Between two and five years	170,000	-	81,218	-
In over five years	451,000	-	-	-
	<u>621,000</u>	<u>-</u>	<u>113,952</u>	<u>-</u>

AQUILA GROUP (UK) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2012

22	Director's remuneration	2012 £	2011 £
	Remuneration	1,800	-
	Company pension contributions to defined contribution schemes	600	-
		<u>2,100</u>	<u>-</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2011 - -)

23 Transactions with directors

The following directors had interest free loans during the period. The movement on these loans are as follows:

	Amount outstanding		Maximum
	2012	2011	in period
	£	£	£
G Mullaney	<u>484,610</u>	<u>-</u>	<u>484,610</u>

G Mullaney has entered into personal guarantees totalling £400,000 in order to secure working capital financing for the subsidiary company.

AQUILA GROUP (UK) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2012

24 Employees

Number of employees

The average monthly number of employees (including directors) during the period was

	2012 Number	2011 Number
Selling and distribution	25	-
Service	115	-
Administration	20	-
	<u>160</u>	<u>-</u>

Employment costs

	2012 £	2011 £
Wages and salaries	794,300	-
Social security costs	76,864	-
Other pension costs	10,169	-
	<u>881,333</u>	<u>-</u>

25 Control

The ultimate controlling party is Mr G Mullaney by virtue of his majority shareholding in the company