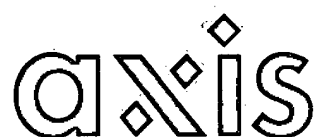


Axis Fleet Management Leasing Limited
Company No 07922503
Financial statements
For the year ended 31 March 2016



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Axis Fleet Management Leasing Limited
Financial Statements for the year ended 31 March 2016
Contents Page

Contents Page	1
Company Information	2
Report of the Directors	3
Report of the Independent Auditor	5
Profit and Loss account	6
Balance Sheet	7
Statement of changes in equity	8
Statement of cash flows	9
Principal accounting policies	10
Notes to the Financial Statements	13

Axis Fleet Management Leasing Limited
Financial Statements for the year ended 31 March 2016
Company Information

Company information

Company registration number 07922503

Registered office 15 Fenlock Court
Lower Road
Long Hanborough
Oxfordshire
OX29 8LN

Directors Robert J Montague CBE
Stephen J Ball
Michael Ledden
David Zbilut

Auditor James Cowper Kreston
Chartered Accountants & Statutory Auditor
2 Chawley Park
Cumnor Hill
Oxford
OX2 9GG

Axis Fleet Management Leasing Limited
Financial Statements for the year ended 31 March 2016
Report of the Directors' (cont.)

The directors present their report and the financial statements of the company for the year ended 31 March 2016.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

Business review

Axis Fleet Management Leasing Limited ("Axis Fleet Management Leasing" or "the Company") is an equipment contract hire company that services the supply chain management, logistics and shipping industries. Its activities comprise contract hire and maintenance of trucks and trailers.

Unlike mainland Europe, the UK is unable to benefit from an integrated road/rail transport solution due to its smaller size and inferior rail network and therefore road will, for the foreseeable future, remain the pre-eminent medium for the movement of freight around the UK.

Customers in the UK are increasingly demanding new equipment contracts on terms that match their logistics contracts. This provides a significant opportunity for Axis Fleet Management Leasing to provide a Pan-European service, enabling the Company's customers, many of whom have extensive operations in both mainland Europe and the UK, to benefit from a comprehensive transport and logistics equipment solution, including essential repair and maintenance services.

Axis Fleet Management Leasing's core business is truck and road trailer contract hire. Axis Fleet Management Leasing has advantageous commercial relationships with leading manufacturers, whereby competitive arrangements are offered on pricing, financing, delivery and technical support, as well as cross sales and marketing. The Company's policy is to secure equipment on a managed basis. Axis Fleet Management has pioneered a truck & trailer rental maintenance package which ensures trailer quality from pre-delivery right through to the end of the contract.

Directors

All directors served throughout the period except where indicated:

Robert J Montague CBE (Executive Chairman)

Stephen J Ball (Group Finance Director)

David Potter (Managing Director) (resigned 26/11/15)

Nicholas Smith (Group Legal Director & Company Secretary) (resigned 29/1/16)

David Zbilut (Finance Director)

Andrew Palmer (Chief Executive Officer) (appointed 1/1/16) (resigned 15/7/16)

Michael Ledden (Managing Director) (appointed 14/6/16)

Key Performance Indicators

The Board use a range of financial and non financial Key Performance Indicators (KPI's) in the management of the company, such as gearing, interest cover and debtor / creditor days' analysis.

Principal activities

The principal activities of the company are the contract hire of trucks and trailers, to the transport and logistics industries in the United Kingdom.

Results and dividends

The trading results for the year and the company's financial position at the end of the year are shown in the attached financial statements.

A dividend of £Nil (2015 £Nil) was paid to the parent company during the year.

Future developments

The Company will be focusing on maintaining and expanding growth with the customer. There will be continued investment in the sales force to focus on account management and winning new business.

Director third party indemnity provision

There is a third party directors' indemnity insurance in place.

Financial risk management objectives and policies

The major risks perceived are interest rate and liquidity all of which are actively managed on an ongoing basis by management.

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

Axis Fleet Management Leasing Limited
Financial Statements for the year ended 31 March 2016
Report of the Directors' (cont.)

Utilisation rates are key to the Company's success as, without a significant utilisation of assets, the Company may 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 Company aims to enter into contracts with customers which match the term of the Company's underlying lease contract. During the year, the average utilisation rate of assets was 100% (2015: 100%).

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 financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company for that period. In preparing these financial statements, the directors are required to:

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

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

Statement as to disclosure of information to auditor

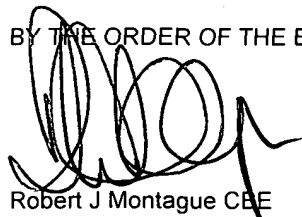
Each of the persons who are directors at the time when the strategic report and the Report of the directors is approved has confirmed that:

- 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 auditor in connection with preparing its report and to establish that the Company's auditor is aware of that information.

Auditor

James Cowper Kreston, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 485(4) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

BY THE ORDER OF THE BOARD



Robert J Montague CBE
Executive Chairman
23 August 2016

**Independent auditor's report to the
Shareholders of Axis Fleet Management Leasing Limited**

We have audited the financial statements of Axis Fleet Management Leasing Limited for the year ended 31 March 2016, set out on pages 6 to 14. 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 Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. 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

A description of the scope of an audit of financial statements is provided on the Auditing Practices Board's website at www.frc.org.uk/auditscopeukprivate.

UNQUALIFIED OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2016 and of its profit for the year 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

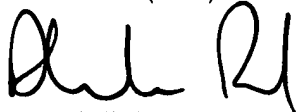
In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the directors were not entitled to take advantage of the small companies' exemption in preparing the Directors' Report.

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: 1 September 2016

Axis Fleet Management Leasing Limited
Statement of comprehensive income
for the year ended 31 March 2016

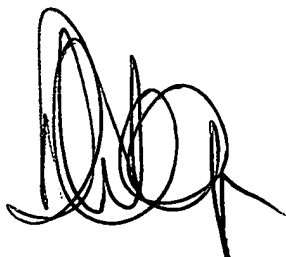
		Year ended 31 March 2016	Year ended 31 March 2015
	Note	£	£
Turnover	1	11,758,829	7,926,843
Cost of sales		(11,700,955)	(7,883,098)
Gross profit		57,874	43,745
Administrative expenses		(1,206)	(6,534)
Operating profit	2	56,668	37,211
Interest receivable		69	100
Interest payable and similar charges	3	(56,737)	(37,311)
Profit before tax		-	-
Tax on profit		-	-
Profit for the year		-	-
Total comprehensive income for the year		-	-

All of the activities of the company are classed as continuing.

Axis Fleet Management Leasing Limited
Balance Sheet
for the year ended 31 March 2016

	Note	2016 £	2015 £
Current assets			
Debtors	4	651,052	522,998
Cash at bank and in hand		<u>1</u>	<u>-</u>
		651,053	522,998
Creditors: amounts falling due within one year	5	651,051	522,996
Net current assets		<u>2</u>	<u>2</u>
Total assets less current liabilities		2	2
		<u>2</u>	<u>2</u>
Capital and reserves			
Called up equity share capital	6	2	2
Shareholder's equity		<u>2</u>	<u>2</u>

These financial statements were approved by the board on 23 August 2016 and are signed on their behalf by:



R J Montague CBE
Executive Chairman

The accounting policies on pages 10 to 12 and notes on pages 13 and 14 form part of these financial statements

Company number: 07922503

Axis Fleet Management Leasing Limited
Statement of changes in equity
for the year ended 31 March 2016

	Share capital £	Retained earnings	Total equity
At 1 April 2015	2	-	2
Comprehensive income for the year			
Profit for the year	-	-	-
Total comprehensive income for the year	-	-	-
At 31 March 2016	<u>2</u>	<u>-</u>	<u>2</u>

Statement of changes in equity
for the year ended 31 March 2015

	Share capital £	Retained earnings	Total equity
At 1 April 2014	2	-	2
Comprehensive income for the year			
Profit for the year	-	-	-
Total comprehensive income for the year	-	-	-
At 31 March 2015	<u>2</u>	<u>-</u>	<u>2</u>

Axis Fleet Management Leasing Limited
Statement of cash flows
as at 31 March 2016

	2016 £	2015 £
Cash flows from operating activities		
Profit for the financial year	-	-
Adjustments for:		
Interest received	(69)	(100)
Interest paid	56,737	37,311
Increase in debtors	(128,056)	(420,486)
Increase in creditors	128,055	(72,660)
Prior year adjustment	199	-
Corporation tax paid	-	-
Net cash generated from operating activities	<u>56,866</u>	<u>(455,935)</u>
Cash flows from investing activities		
Interest received	69	100
Net cash from investing activities	<u>69</u>	<u>100</u>
Cash flows from financing activities		
Interest payments	(56,737)	(37,311)
Net cash used in financing activities	<u>(56,737)</u>	<u>(37,311)</u>
Net increase / (decrease) in cash and cash equivalents	<u>198</u>	<u>(493,146)</u>
Cash and cash equivalents at beginning of year	(197)	492,949
Cash and cash equivalents at the end of year	<u><u>1</u></u>	<u><u>(197)</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	1	(197)
	<u><u>1</u></u>	<u><u>(197)</u></u>

Axis Fleet Management Leasing Limited
Notes to the financial statements
Year ended 31 March 2016

Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

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

Cash and cash equivalents

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

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

Turnover

Turnover (excluding Value Added Tax) is stated after trade discounts and comprises contract hire income receivable from third parties relating to trailers, chassis and trucks calculated on a daily rate basis, the supply of maintenance and repair management services, fees chargeable to the transport and logistics industries and commission income from the order of new units. Turnover is recognised once the company 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 Company's obligation to place an order for an asset has passed. There is sometimes a delay between transfer of the Company's obligations, in connection with placing the order and a contractual obligation arising, due to the nature of the global contract negotiations.

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.

Current and deferred taxation

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

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

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

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

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

Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP

Transactions and balances

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

Axis Fleet Management Leasing Limited
Notes to the financial statements
Year ended 31 March 2016

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

Debtors

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

Creditors

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

Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

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

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- i. At fair value with changes recognised in the Profit and Loss Account if the shares are publicly traded or their fair value can otherwise be measured reliably;
- ii. At cost less impairment for all other investments.

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

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

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

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

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

Axis Fleet Management Leasing Limited
Notes to the financial statements
Year ended 31 March 2016

Key judgements and estimates

The preparation of financial statements 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.

Key estimates are made regarding revenue recognition on commissions (see turnover accounting policy) and regarding the use of tax losses and recognition of a deferred tax asset.

Deferred tax assets are recognised by the Company when management have sufficient certainty that the company will generate taxable profits in the foreseeable future. When the company has a history of recent losses, deferred tax assets are recognised when management believe there is convincing other evidence that taxable profits will be generated in the foreseeable future.

Axis Fleet Management Leasing Limited
Notes to the Financial Statements
for the year ended 31 March 2016

1 Turnover

The turnover and profit before tax are attributable to the principal activity of the company.

All of the Company's turnover was within the UK.

2 Operating profit / (loss)

	2016 £	2015 £
Operating profit / (loss) is stated after charging:		
Fees payable to the company's auditor		
- Audit fees	-	4,000
- Corporation tax compliance services	-	2,000

Fees payable to the company's auditor totalling £9,350 have been borne by a fellow group company, Axis Fleet Management Limited. These costs relate to audit fees (£6,700), corporation tax compliance services (£1,300) and other services (£1,350).

3 Interest payable

	2016 £	2015 £
Included in interest payable are the following amounts:		
Bank overdraft interest	-	20
Other interest	56,737	37,291
	<u>56,737</u>	<u>37,311</u>

4 Debtors

	2016 £	2015 £
Trade debtors	437,969	250,779
Amounts owed by other group companies	213,083	272,217
	<u>651,052</u>	<u>522,996</u>

5 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	-	25,824
VAT	651,051	490,975
Accruals and deferred income	-	6,000
Bank overdraft	-	197
	<u>651,051</u>	<u>522,996</u>

6 Share capital

	2016 £	2015 £
Ordinary shares of £1 each, allotted, issued and fully paid	<u>2</u>	<u>2</u>

Axis Fleet Management Leasing Limited
Notes to the Financial Statements
for the year ended 31 March 2016

7 Ultimate parent company

The ultimate parent undertaking of this company is its parent company Axis Intermodal Limited, a company registered in England and Wales. The ultimate controlling party of this company is Robert J Montague CBE.

Copies of accounts can be obtained from 15 Fenlock Court, Lower Road, Long Hanborough, Oxfordshire, OX29 8LN.

8 Related party transactions

During the year, fees were paid to a fellow group company, Axis Fleet Management Limited of £11,700,955 (2015: £7,883,099)

Intercompany balances outstanding at year end

	2016	2015
	£	£
Amounts due from Axis Fleet Management Limited	213,083	272,217

The amounts due from Axis Fleet Management Ltd relate to intercompany trading and are interest free and repayable on demand.

9 First time adoption of FRS102

The policies applied under the entity's previous accounting framework are not materially different to FRS102 and have not impacted on equity or profit or loss.