
BUFFALOAD LOGISTICS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

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BUFFALOAD LOGISTICS LIMITED

COMPANY INFORMATION

Directors	J A Feltwell I D Perks E S Power (appointed 23 May 2018) J Blythe (appointed 19 March 2019)
Company secretary	J A Feltwell
Registered number	05382156
Registered office	Grove Parc Grove Lane Ellington Huntingdon PE28 0AA
Trading Address	Grove Park Grove Lane Ellington Huntingdon PE28 0AA
Independent auditor	Grant Thornton UK LLP Statutory Auditor, Chartered Accountants No 1 Whitehall Riverside Leeds West Yorkshire LS1 4BN

BUFFALOAD LOGISTICS LIMITED

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BUFFALOAD LOGISTICS LIMITED

GROUP STRATEGIC REPORT FOR THE PERIOD ENDED 31 DECEMBER 2017

Introduction

The directors present their strategic report and business review, which includes a balanced and comprehensive review of the development and performance during the period and its position at the period end, including principal risks and uncertainties, and key performance indicators.

Business review

Following the strategic acquisition of, previously loss making, Davis Haulage in late 2016, the group has restructured the activities during the early part of 2017, to eliminate loss making and inefficient revenues and consolidating volumes with existing networks to create an effective Logistics' service. The group has also generated cost synergies, which when added to the increased margins, delivered encouraging results in the second half of the period.

Like for like turnover (12 month comparative) showed 25% growth during the year, benefiting from the newly acquired volumes and organic growth within the existing customer base and securing additional volumes with new customers.

During the period the group disposed of excess and residual assets acquired as part of Davis Haulage, but also continued to invest heavily with plant and machinery additions at its multiple operating sites and ensuring the provision of a modern fleet, in particular temperature controlled double decker trailers. Investment in IT infrastructure and processes continues to ensure British Retail Consortium accreditation is maintained for all sites, ensuring a robust platform for future expansion.

Future Outlook

The group is well placed to seek and capitalise on new logistics and storage opportunities as they arise through further expansion of existing and an enhanced customer portfolio. The profitability of the group is expected to increase as the full year benefits and efficiencies of the acquisition are delivered in 2018.

Principal risks and uncertainties

The haulage industry is highly competitive and leaves little opportunity for organic growth however the close working relationship that we keep with all of our customers and unique asset base means we consider ourselves to be in a strong position for the forthcoming year. The directors recognise the continuous requirement to control costs, increase efficiency and maintain margins but feel optimistic about the future prospects of the group and feel it is well placed to continue building key customer relationships to ensure its successful development into the future.

Financial key performance indicators

The group continues to measure its financial performance using the following measures:-

Turnover has increased by 67.3% to £32.22m in the 12 month period to 31/12/2017 over the prior 9 month period ended 31/12/2016 of £19.26m.

Gross margin has decreased from 19.2% for the 9 month period ended 31/12/2016 to 17.4% for the 12 month period ended 31/12/2017.

BUFFALOAD LOGISTICS LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2017**

Other key performance indicators

The directors also review non financial indicators to reflect the wider view of the business in particular service delivery to key customers including on time delivery. A number of operating KPI's relating to the vehicle operation are monitored within the business to ensure operational efficiency is maximised.

Average employee numbers have increased from 218 in 2016 to 326 in 2017.

This report was approved by the board on *19TH SEPTEMBER 2018* and signed on its behalf.

J A Feltwell
Director

J A Feltwell

BUFFALOAD LOGISTICS LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2017

The directors present their report and the financial statements for the period ended 31 December 2017.

Results and dividends

The loss for the period, after taxation, amounted to £1,369,836 (2016 - loss £586,298).

Directors

The directors who served during the period and up to the date of this report were:

J A Feltwell
I D Perks
M A Masters (resigned 21 February 2018)
G M Edwards

Following the year end, on 23 May 2018, E S Power was appointed as a director.

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs 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 for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and to 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.

Future developments

The Group has a number of key contracts ongoing and the directors are confident that a satisfactory result will be achieved in the current financial year.

Post balance sheet events

There have been no significant events affecting the Group since the period end.

BUFFALOAD LOGISTICS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2017**

Disclosure of information to auditor

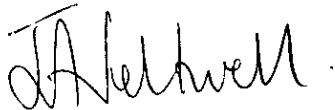
Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on **19TH SEPTEMBER 2018** and signed on its behalf.



J A Feltwell
Director

BUFFALO LOGISTICS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF BUFFALO LOGISTICS LIMITED

Opinion

We have audited the financial statements of Buffalo Logistics Limited (the 'company') for the period ended 31 December 2017, which comprise the Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated and Company Statements of Changes in Equity, the Consolidated Statement of Cash Flows and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2017 and of the Group's loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis of 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 Auditors' 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Who we are reporting to

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.

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.

BUFFALOAD LOGISTICS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF BUFFALOAD LOGISTICS LIMITED (CONTINUED)

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report set out on pages 1 to 4, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Group Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the 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 the Companies Act 2006

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.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept 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.

BUFFALOAD LOGISTICS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF BUFFALOAD LOGISTICS LIMITED (CONTINUED)

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 3, 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 Auditor's Report.

Andrew Wood (Senior Statutory Auditor)
for and on behalf of
Grant Thornton UK LLP
Chartered Accountants
Statutory Auditor
Leeds
Date:

BUFFALOAD LOGISTICS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF BUFFALOAD LOGISTICS LIMITED (CONTINUED)

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 3, 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 Auditor's Report.

Grant Thornton UK LLP

Andrew Wood (Senior Statutory Auditor)

for and on behalf of

Grant Thornton UK LLP

Chartered Accountants

Statutory Auditor

Leeds

Date: **24/9/18.**

BUFFALOAD LOGISTICS LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2017**

		Period ended 31 December 2017 £	<i>Period ended 31 December 2016 £</i>
	Note		
Turnover	4	32,219,861	19,256,636
Cost of sales		(26,618,789)	(15,552,244)
Gross profit		5,601,072	3,704,392
Distribution costs		(105)	(2,446)
Administrative expenses		(7,788,301)	(3,932,089)
Other operating income	5	804,222	2,222
Operating loss	6	(1,383,112)	(227,921)
Interest payable and expenses	10	(273,120)	(303,462)
Loss before tax		(1,656,232)	(531,383)
Tax on loss	11	286,396	(54,915)
Loss for the financial period		(1,369,836)	(586,298)
Other comprehensive income for the period			
Unrealised surplus on revaluation of tangible fixed assets		275,008	-
Other comprehensive income for the period		275,008	-
Total comprehensive income for the period		(1,094,828)	(586,298)
Loss for the year attributable to:			
Owners of the parent company		(1,369,836)	(586,298)
		(1,369,836)	(586,298)

There were no recognised gains and losses for 2017 or 2016 other than those included in the consolidated statement of comprehensive income.

The notes on pages 17 to 41 form part of these financial statements.

BUFFALOAD LOGISTICS LIMITED
REGISTERED NUMBER: 05382156

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2017

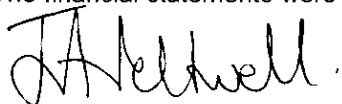
	Note	2017 £	2016 £
Fixed assets			
Intangible assets	12	(140,870)	(631,201)
Tangible assets	13	8,975,922	10,009,573
		<u>8,835,052</u>	<u>9,378,372</u>
Current assets			
Stocks	15	224,255	195,883
Debtors: amounts falling due within one year	16	8,494,998	7,750,596
Cash at bank and in hand	17	106,664	8,168
		<u>8,825,917</u>	<u>7,954,647</u>
Creditors: amounts falling due within one year	18	(14,910,939)	(13,019,924)
Net current liabilities		<u>(6,085,022)</u>	<u>(5,065,277)</u>
Total assets less current liabilities		<u>2,750,030</u>	<u>4,313,095</u>
Creditors: amounts falling due after more than one year	19	(2,467,205)	(2,645,116)
Provisions for liabilities			
Deferred tax	22	(6,384)	(296,710)
		<u>(6,384)</u>	<u>(296,710)</u>
Net assets		<u><u>276,441</u></u>	<u><u>1,371,269</u></u>

BUFFALOAD LOGISTICS LIMITED
REGISTERED NUMBER: 05382156

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2017

	Note	2017 £	2016 £
Capital and reserves			
Called up share capital	23	10,000	10,000
Revaluation reserve	24	275,008	-
Profit and loss account	24	(8,567)	1,361,269
		<u>276,441</u>	<u>1,371,269</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on



J A Feltwell

Director

The notes on pages 17 to 41 form part of these financial statements.

BUFFALO LOGISTICS LIMITED
REGISTERED NUMBER: 05382156

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2017

		31 December 2017 £	<i>As restated</i> 31 December 2016 £
Fixed assets	Note		
Intangible assets	12	(140,870)	(631,201)
Tangible assets	13	8,975,922	10,009,573
Investments	14	1	1
		<u>8,835,053</u>	<u>9,378,373</u>
Current assets			
Stocks	15	224,255	195,883
Debtors: amounts falling due within one year	16	8,015,850	5,754,679
Cash at bank and in hand	17	105,664	8,124
		<u>8,345,769</u>	<u>5,958,686</u>
Creditors: amounts falling due within one year	18	(14,430,793)	(11,023,965)
Net current liabilities		<u>(6,085,024)</u>	<u>(5,065,279)</u>
Total assets less current liabilities		<u>2,750,029</u>	<u>4,313,094</u>
Creditors: amounts falling due after more than one year	19	(2,467,205)	(2,645,116)
Provisions for liabilities			
Deferred taxation	22	(6,384)	(296,710)
		<u>(6,384)</u>	<u>(296,710)</u>
Net assets excluding pension asset		<u>276,440</u>	<u>1,371,268</u>
Net assets		<u><u>276,440</u></u>	<u><u>1,371,268</u></u>

BUFFALOAD LOGISTICS LIMITED
REGISTERED NUMBER: 05382156

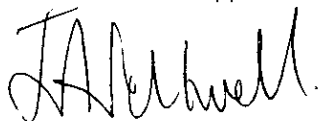
COMPANY BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2017

		31 December 2017 £	<i>As restated</i> 31 December 2016 £
	Note		
Capital and reserves			
Called up share capital	23	10,000	10,000
Revaluation reserve	24	275,008	-
Profit and loss account brought forward		1,361,269	1,947,567
Loss for the period		(1,369,837)	(586,299)
Profit and loss account carried forward		(8,568)	1,361,268
		<u>276,440</u>	<u>1,371,268</u>

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements. The loss after tax of the parent Company for the year was £1,369,837.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

J A Feltwell
Director



BUFFALO LOGISTICS LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2017**

	Called up share capital	Revaluation reserve	Profit and loss account	Equity attributable to owners of parent Company	Total equity
	£	£	£	£	£
At 1 January 2017	10,000	-	1,361,269	1,371,269	1,371,269
Comprehensive income for the period					
Loss for the period	-	-	(1,369,836)	(1,369,836)	(1,369,836)
Surplus on revaluation of freehold property	-	275,008	-	275,008	275,008
Total comprehensive income for the period	-	275,008	(1,369,836)	(1,094,828)	(1,094,828)
At 31 December 2017	10,000	275,008	(8,567)	276,441	276,441

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2016**

	Called up share capital	Profit and loss account	Equity attributable to owners of parent Company	Total equity
	£	£	£	£
At 1 March 2016	10,000	1,947,567	1,957,567	1,957,567
Comprehensive income for the period				
Loss for the period	-	(586,298)	(586,298)	(586,298)
Total comprehensive income for the period	-	(586,298)	(586,298)	(586,298)
At 31 December 2016	10,000	1,361,269	1,371,269	1,371,269

The notes on pages 17 to 41 form part of these financial statements.

BUFFALOAD LOGISTICS LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2017**

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2017	10,000	-	1,361,269	1,371,269
Comprehensive income for the period				
Loss for the period	-	-	(1,369,837)	(1,369,837)
Surplus on revaluation of freehold property	-	275,008	-	275,008
Other comprehensive income for the period	-	275,008	-	275,008
Total comprehensive income for the period	-	275,008	(1,369,837)	(1,094,829)
Total transactions with owners	-	-	-	-
At 31 December 2017	10,000	275,008	(8,568)	276,440

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2016**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 March 2016	10,000	1,947,567	1,957,567
Comprehensive income for the period			
Loss for the period	-	(586,298)	(586,298)
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	-	(586,298)	(586,298)
Total transactions with owners	-	-	-
At 31 December 2016	10,000	1,361,269	1,371,269

The notes on pages 17 to 41 form part of these financial statements.

BUFFALO LOGISTICS LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2017**

	2017 £	2016 £
Cash flows from operating activities		
Loss for the financial period	(1,369,836)	(586,298)
Adjustments for:		
Amortisation of intangible assets	(490,331)	-
Depreciation of tangible assets	1,544,570	1,123,688
Loss on disposal of tangible assets	291,553	(1,597)
Interest paid	273,120	303,462
Taxation charge	(286,396)	54,915
(Increase) in stocks	(28,372)	(160,732)
(Increase) in debtors	(704,191)	(1,909,856)
Decrease in amounts owed by groups	-	222,533
(Increase)/decrease in amounts owed by associates	(35,242)	268,852
Increase in creditors	2,072,600	2,307,613
Increase in amounts owed to groups	-	30,008
(Decrease)/increase in amounts owed to joint ventures	(24,685)	-
Increase in amounts owed to associates	212,532	-
Increase in amounts owed to participating int	75,535	375,000
Corporation tax (paid)	(18,277)	(162,198)
Net cash generated from operating activities	1,512,580	1,865,390
Cash flows from investing activities		
Purchase of tangible fixed assets	(177,879)	(607,070)
Sale of tangible fixed assets	515,916	193,399
Purchase of fixed asset investments	-	(327,831)
HP interest paid	(226,472)	(268,018)
Net cash from investing activities	111,565	(1,009,520)
Cash flows from financing activities		
Issue of ordinary shares	-	(1)
Repayment of loans	(70,720)	(36,337)
Other new loans	-	33,418
Repayment of/new finance leases	(1,408,281)	(1,535,068)
Interest paid	(46,648)	(35,444)
Net cash used in financing activities	(1,525,649)	(1,573,432)
Net increase/(decrease) in cash and cash equivalents	98,496	(717,562)

BUFFALOAD LOGISTICS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2017

	2017	2016
	£	£
Cash and cash equivalents at beginning of period	8,168	725,730
Cash and cash equivalents at the end of period	106,664	8,168
Cash and cash equivalents at the end of period comprise:		
Cash at bank and in hand	106,664	8,168
	106,664	8,168

BUFFALOAD LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2017

1. General information

Buffaload Logistics Limited is a private limited company incorporated in England and Wales.

The principal activity of the company is that of temperature controlled distribution, chilled storage and logistics.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 April 2015.

This is the first accounting period for which consolidated accounts have been prepared following the incorporation on 21 December 2016 of the subsidiary entity, Buffaload Logistics (Crewe) Limited. The comparative figures for the consolidated balance sheet have been created using the accounting records of the subsidiary as at 31 December 2016. This has had no impact on net assets or loss for the financial period as previously reported for Buffaload Logistics Limited as a single entity.

BUFFALOAD LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

2.3 Going concern

The balance sheet shows a net current liabilities position at the year end. The directors have prepared forecasts for the Group and Company and have a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis of accounting in preparing the annual financial statements. In arriving at this conclusion, the directors have obtained confirmation from Invest Co 1 Limited, a 50% shareholder in the business, who has confirmed that it will continue to provide financial support to the Group and Company for a period of at least the next twelve months from the date of signing the financial statements.

The financial statements do not include adjustments that would result if the Group and Company were unable to continue as a going concern.

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

2.5 Intangible assets

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

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

Negative goodwill is released against the realisation of the underlying assets to which it relates.

2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

BUFFALOAD LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

2.6 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Freehold property	- 2.0% straight line
Leasehold improvements	- over the period of the lease
Plant and machinery	- 17.5% reducing balance basis
Motor vehicles	- 17.5% reducing balance basis
Office equipment	- 20.0% reducing balance basis
Computer equipment	- 20.0% reducing balance basis
Other fixed assets	- 11.0% straight line basis

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

2.7 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Balance Sheet date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in the Consolidated Statement of Comprehensive Income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.9 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell.

2.10 Debtors

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

BUFFALO LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

2.11 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 Consolidated 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 Group's cash management.

2.12 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in 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 debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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

- at fair value with changes recognised in the Consolidated Statement of Comprehensive Income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- 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 Consolidated Statement of Comprehensive Income.

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

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group 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.

BUFFALO LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

2.12 Financial instruments (continued)

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

2.13 Creditors

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

2.14 Finance costs

Finance costs are charged to the Consolidated Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the *carrying amount*. *Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.*

2.15 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

2.16 Borrowing costs

All borrowing costs are recognised in the Consolidated Statement of Comprehensive Income in the period in which they are incurred.

2.17 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated Statement of Comprehensive Income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

BUFFALOAD LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

2.18 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

Deferred tax 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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

BUFFALOAD LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2017

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In applying the Group's accounting policies set out above management is required to make certain estimates and judgments concerning the future. These judgments are regularly reviewed and updated as necessary.

In preparing these financial statements, the directors have had to make the following judgments:

Determine whether there are any indicators of impairment of the Group's tangible fixed assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty:

a) Tangible fixed assets and depreciation

Tangible fixed assets, other than investment properties, are depreciated over their useful lives taking in to account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, all relevant known factors are taken in to account but there is inherent uncertainty present in making this assessment.

b) Trade debtor provisions

Provisions for impairment are recognised when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivable. The amount of the provision is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

c) Acquisition accounting

Fair values applied to assets acquired are generated using a combination of external evidence and internal knowledge and experience as applicable.

4. Turnover

All turnover arose within the United Kingdom.

5. Other operating income

	Period ended 31 December 2017 £	<i>Period ended 31 December 2016 £</i>
Rent income	804,222	2,222
	804,222	2,222

BUFFALOAD LOGISTICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017**

6. Operating loss

The operating loss is stated after charging:

	Period ended 31 December 2017 £	<i>Period ended 31 December 2016 £</i>
Depreciation of tangible fixed assets - owned by the company	603,051	301,227
Depreciation of tangible fixed assets - held under finance lease	939,190	822,461
Amortisation of intangible assets, including goodwill	(490,331)	-
	<hr/> <hr/>	<hr/> <hr/>

7. Auditor's remuneration

	Period ended 31 December 2017 £	<i>Period ended 31 December 2016 £</i>
Fees payable to the Group's auditor and its associates for the audit of the Group's annual accounts	18,900	15,000
	<hr/> 18,900	<hr/> 15,000
Fees payable to the Group's auditor and its associates in respect of:		
Services relating to corporate finance transactions	-	8,832
Preparation of statutory accounts	1,750	-
	<hr/> <hr/>	<hr/> <hr/>

BUFFALOAD LOGISTICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017**

8. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2017 £	<i>Group 2016 £</i>	Company 2017 £	<i>Company 2016 £</i>
Wages and salaries	10,271,107	<i>4,775,911</i>	10,271,107	<i>4,775,911</i>
Social security costs	959,718	<i>502,287</i>	959,718	<i>502,287</i>
Cost of defined contribution scheme	73,802	<i>27,137</i>	73,802	<i>27,137</i>
	11,304,627	<i>5,305,335</i>	11,304,627	<i>5,305,335</i>

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

	Group Period ended 31 December 2017 No.	<i>Group Period ended 31 December 2016 No.</i>	Company Period ended 31 December 2017 No.	<i>Company Period ended 31 December 2016 No.</i>
Administrative staff	56	<i>25</i>	56	<i>25</i>
Operating staff	270	<i>193</i>	270	<i>193</i>
	326	<i>218</i>	326	<i>218</i>

9. Directors' remuneration

	Period ended 31 December 2017 £	<i>Period ended 31 December 2016 £</i>
Directors' emoluments	189,728	<i>150,858</i>
Company contributions to defined contribution pension schemes	1,730	<i>-</i>
	191,458	<i>150,858</i>

During the period retirement benefits were accruing to 1 director (2016 - NIL) in respect of defined contribution pension schemes.

BUFFALOAD LOGISTICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017**

10. Interest payable and similar charges

	Period ended 31 December 2017 £	<i>Period ended 31 December 2016 £</i>
Bank interest payable	46,648	35,444
Finance leases and hire purchase contracts	226,472	268,018
	<u>273,120</u>	<u>303,462</u>

11. Taxation

	Period ended 31 December 2017 £	<i>Period ended 31 December 2016 £</i>
Corporation tax		
Adjustments in respect of previous periods	3,930	70,394
	<u>3,930</u>	<u>70,394</u>
Total current tax	<u>3,930</u>	<u>70,394</u>
Deferred tax		
Origination and reversal of timing differences	(321,432)	(15,479)
Adjustments in respect of prior periods	31,106	-
Total deferred tax	<u>(290,326)</u>	<u>(15,479)</u>
Taxation on (loss)/profit on ordinary activities	<u>(286,396)</u>	<u>54,915</u>

BUFFALO LOGISTICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017**

11. Taxation (continued)

Factors affecting tax charge for the period

The tax assessed for the period is higher than (2016 - lower than) the standard rate of corporation tax in the UK of 19.25% (2016 - 20%). The differences are explained below:

	Period ended 31 December 2017 £	Period ended 31 December 2016 £
Loss on ordinary activities before tax	<u>(1,656,233)</u>	<u>(531,384)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20%)	(318,768)	(106,277)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	76,236	1,393
Capital allowances for period in excess of depreciation	-	(9,233)
Adjustments to tax charge in respect of prior periods	35,036	70,394
Other permanent differences	1,039	9,345
Non-taxable income	(122,416)	-
Tax rate differences	42,477	-
Movement on deferred tax not recognised	-	89,293
Total tax charge for the period	<u>(286,396)</u>	<u>54,915</u>

Factors that may affect future tax charges

Legislation to reduce the main rate of corporation tax from 20% to 18% by 1 April 2020 was included in the Finance Act 2015 and has since become substantively enacted. Deferred tax has been provided for at 18% in these financial statements.

BUFFALOAD LOGISTICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017**

12. Intangible assets

Group and Company

	Negative goodwill £
At 1 January 2017	(631,201)
At 31 December 2017	(631,201)
Charge for the year	(490,331)
At 31 December 2017	(490,331)
Net book value	
At 31 December 2017	(140,870)
<i>At 31 December 2016</i>	(631,201)

BUFFALO LOGISTICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017**

13. Tangible fixed assets

Group

	Freehold property £	Short-term leasehold property £	Plant and machinery £	Motor vehicles £	Office equipment £
Cost or valuation					
At 1 January 2017	1,476,847	726,333	7,113,260	3,219,167	187,439
Additions	1,558	53,625	50,944	869,500	-
Disposals	-	-	(12,000)	(1,523,483)	-
Transfers between classes	852,510	-	(6,381,745)	6,381,745	(7,499)
Revaluations	275,008	-	-	-	-
At 31 December 2017	<u>2,605,923</u>	<u>779,958</u>	<u>770,459</u>	<u>8,946,929</u>	<u>179,940</u>
Depreciation					
At 1 January 2017	37,309	49,314	1,751,712	1,509,735	95,025
Charge for the period on owned assets	119,806	78,046	85,604	1,156,021	16,983
Disposals	-	-	(2,791)	(725,223)	-
Transfers between classes	417,719	-	(1,527,512)	1,527,512	-
At 31 December 2017	<u>574,834</u>	<u>127,360</u>	<u>307,013</u>	<u>3,468,045</u>	<u>112,008</u>
Net book value					
At 31 December 2017	<u>2,031,089</u>	<u>652,598</u>	<u>463,446</u>	<u>5,478,884</u>	<u>67,932</u>
At 31 December 2016	<u>1,439,538</u>	<u>677,019</u>	<u>5,361,548</u>	<u>1,709,432</u>	<u>92,414</u>

BUFFALOAD LOGISTICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017**

13. Tangible fixed assets (continued)

	Computer equipment £	Other fixed assets £	Total £
Cost or valuation			
At 1 January 2017	328,779	852,510	13,904,335
Additions	67,753	-	1,043,380
Disposals	-	-	(1,535,483)
Transfers between classes	7,499	(852,510)	-
Revaluations	-	-	275,008
At 31 December 2017	<u>404,031</u>	<u>-</u>	<u>13,687,240</u>
Depreciation			
At 1 January 2017	33,948	417,719	3,894,762
Charge for the period on owned assets	88,110	-	1,544,570
Disposals	-	-	(728,014)
Transfers between classes	-	(417,719)	-
At 31 December 2017	<u>122,058</u>	<u>-</u>	<u>4,711,318</u>
Net book value			
At 31 December 2017	<u>281,973</u>	<u>-</u>	<u>8,975,922</u>
At 31 December 2016	<u>294,831</u>	<u>434,791</u>	<u>10,009,573</u>

The net book value of land and buildings may be further analysed as follows:

	2017 £	2016 £
Freehold	2,031,089	1,439,538
Short leasehold	652,598	677,019
	<u>2,683,687</u>	<u>2,116,557</u>

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

BUFFALOAD LOGISTICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017**

13. Tangible fixed assets (continued)

	2017 £	2016 £
Plant and machinery	42,678	4,327,195
Motor vehicles	4,576,061	1,357,153
Computer equipment	144,011	200,139
	<u>4,762,750</u>	<u>5,884,487</u>

Cost or valuation at 31 December 2017 is as follows:

	Land and buildings £
At cost	3,110,873
At valuation:	
27 November 2017 on an open market basis	275,008
	<u>3,385,881</u>

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2017 £	2016 £
Group		
Cost	1,104,799	1,104,799
Accumulated depreciation	(38,508)	(16,412)
Net book value	<u>1,066,291</u>	<u>1,088,387</u>

BUFFALOAD LOGISTICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017**

13. Tangible fixed assets (continued)

Company

	Freehold property £	Short-term leasehold property £	Plant and machinery £	Motor vehicles £	Office equipment £
Cost or valuation					
At 1 January 2017	1,476,847	726,333	7,113,260	3,219,167	187,439
Additions	1,558	53,625	50,944	869,500	-
Disposals	-	-	(12,000)	(1,523,483)	-
Transfers between classes	852,510	-	(6,381,745)	6,381,745	(7,499)
Revaluations	275,008	-	-	-	-
At 31 December 2017	<u>2,605,923</u>	<u>779,958</u>	<u>770,459</u>	<u>8,946,929</u>	<u>179,940</u>
Depreciation					
At 1 January 2017	37,309	49,314	1,751,712	1,509,735	95,025
Charge for the period on owned assets	119,806	78,046	85,604	1,156,021	16,983
Disposals	-	-	(2,791)	(725,223)	-
Transfers between classes	417,719	-	(1,527,512)	1,527,512	-
At 31 December 2017	<u>574,834</u>	<u>127,360</u>	<u>307,013</u>	<u>3,468,045</u>	<u>112,008</u>
Net book value					
At 31 December 2017	<u>2,031,089</u>	<u>652,598</u>	<u>463,446</u>	<u>5,478,884</u>	<u>67,932</u>
At 31 December 2016	<u>1,439,538</u>	<u>677,019</u>	<u>5,361,548</u>	<u>1,709,432</u>	<u>92,414</u>

BUFFALOAD LOGISTICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017**

13. Tangible fixed assets (continued)

	Computer equipment £	Other fixed assets £	Total £
Cost or valuation			
At 1 January 2017	328,779	852,510	13,904,335
Additions	67,753	-	1,043,380
Disposals	-	-	(1,535,483)
Transfers between classes	7,499	(852,510)	-
Revaluations	-	-	275,008
At 31 December 2017	<u>404,031</u>	<u>-</u>	<u>13,687,240</u>
Depreciation			
At 1 January 2017	33,948	417,719	3,894,762
Charge for the period on owned assets	88,110	-	1,544,570
Disposals	-	-	(728,014)
Transfers between classes	-	(417,719)	-
At 31 December 2017	<u>122,058</u>	<u>-</u>	<u>4,711,318</u>
Net book value			
At 31 December 2017	<u>281,973</u>	<u>-</u>	<u>8,975,922</u>
At 31 December 2016	<u>294,831</u>	<u>434,791</u>	<u>10,009,573</u>

Cost or valuation at 31 December 2017 is as follows:

	Land and buildings £
At cost	3,110,873
At valuation:	
27 November 2017 on an open market basis	275,008
	<u>3,385,881</u>

BUFFALOAD LOGISTICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017**

14. Fixed asset investments

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
Buffaload Logistics (Crewe) Limited	Ordinary	100 %	Logistics

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2017	<u>1</u>
At 31 December 2017	<u>1</u>
Net book value	
At 31 December 2017	<u>1</u>
At 31 December 2016	<u>1</u>

Buffaload Logistics (Crewe) Limited is exempt from the requirement of the Companies Act relating to the audit of individual financial statements by virtue of s479A of the Companies Act 2006.

15. Stocks

	Group 2017 £	<i>Group 2016 £</i>	Company 2017 £	<i>Company 2016 £</i>
Raw materials and consumables	<u>224,255</u>	<u>195,883</u>	<u>224,255</u>	<u>195,883</u>
	<u>224,255</u>	<u>195,883</u>	<u>224,255</u>	<u>195,883</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

BUFFALOAD LOGISTICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017**

16. Debtors

	Group 2017 £	<i>Group 2016 £</i>	Company 2017 £	<i>Company 2016 £</i>
Trade debtors	6,811,696	5,416,139	5,673,355	3,197,691
Amounts owed by group undertakings	-	-	663,449	222,533
Amounts owed by joint ventures and associated undertakings	1,142,533	1,107,291	1,142,533	1,107,291
Other debtors	9,224	33,544	4,970	33,544
Called up share capital not paid	1	1	-	-
Prepayments and accrued income	531,544	1,193,621	531,543	1,193,620
	<u>8,494,998</u>	<u>7,750,596</u>	<u>8,015,850</u>	<u>5,754,679</u>

17. Cash and cash equivalents

	Group 2017 £	<i>Group 2016 £</i>	Company 2017 £	<i>Company 2016 £</i>
Cash at bank and in hand	106,664	8,168	105,664	8,124
	<u>106,664</u>	<u>8,168</u>	<u>105,664</u>	<u>8,124</u>

BUFFALOAD LOGISTICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017**

18. Creditors: Amounts falling due within one year

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Bank loans	1,085,261	1,155,981	1,085,261	1,155,981
Trade creditors	3,702,219	3,698,971	3,702,219	3,307,881
Amounts owed to joint ventures	5,323	30,008	5,323	30,008
Other loans	1,257,825	1,045,292	1,257,825	1,045,292
Amounts owed to other participating interests	450,535	375,000	450,535	375,000
Corporation tax	-	9,377	-	9,377
Other taxation and social security	1,249,373	683,869	1,249,373	683,869
Obligations under finance lease and hire purchase contracts	1,534,392	1,899,263	1,534,392	1,899,263
Other creditors	4,761,029	3,889,490	4,280,884	2,284,621
Accruals and deferred income	864,982	232,673	864,981	232,673
	14,910,939	13,019,924	14,430,793	11,023,965

The other loans balance is payable to Mr R Taylor, a 50% shareholder in the group. No interest is charged on the loan and the amount is repayable on demand.

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

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Net obligations under finance leases and hire purchase contracts	2,467,205	2,645,116	2,467,205	2,645,116
	2,467,205	2,645,116	2,467,205	2,645,116

Bank loans and overdrafts are secured on:

- An unlimited debenture;
- An all monies guarantee from Mr R Taylor for a total principal amount of £1,796,000;
- A first legal charge from Mr R Taylor over the freehold land and buildings at Willow Farm, Ely;
- A first legal charge from the group over the freehold land and buildings at Grove Lane, Ellington; and
- A first legal charge from Mr R Taylor over the freehold land at North East side of Westmoor Common, Pymore, Ely

Hire purchase obligations of £4,112,093 (2016: £4,544,379) are secured on the assets concerned.

Within other creditors is the invoice discounting facility of £4,155,132 (2016: £2,112,646). This is secured against the sales ledger balances to which it relates.

BUFFALOAD LOGISTICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017**

20. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2017 £	<i>Group 2016 £</i>	Company 2017 £	<i>Company 2016 £</i>
Within one year	1,534,392	1,899,263	1,644,888	1,899,263
Between 1-5 years	2,467,205	2,645,116	2,467,205	2,645,116
	<u>4,001,597</u>	<u>4,544,379</u>	<u>4,112,093</u>	<u>4,544,379</u>

21. Financial instruments

	Group 2017 £	<i>Group 2016 £</i>	Company 2017 £	<i>Company 2016 £</i>
Financial assets				
Cash and cash equivalents	106,664	8,167	105,664	8,123
Financial assets measured at amortised cost	8,021,924	7,163,068	7,542,777	5,167,153
	<u>8,128,588</u>	<u>7,171,235</u>	<u>7,648,441</u>	<u>5,175,276</u>
Financial liabilities				
Financial liabilities measured at amortised cost	(12,016,677)	(10,427,415)	(11,536,531)	(8,431,456)
	<u>(12,016,677)</u>	<u>(10,427,415)</u>	<u>(11,536,531)</u>	<u>(8,431,456)</u>

Financial assets measured at amortised cost comprise trade and other debtors and accrued income.

Financial liabilities measured at amortised cost comprise trade and other creditors, amounts owed to related parties, accruals and bank loans.

BUFFALOAD LOGISTICS LIMITED

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22. Deferred taxation

Group

	2017 £
At beginning of period	(296,710)
Charged to profit or loss	290,326
At end of period	(6,384)

Company

	2017 £
At beginning of year	(296,710)
Charged to profit or loss	290,326
At end of year	(6,384)

	Group 2017 £	<i>Group 2016 £</i>	Company 2017 £	<i>Company 2016 £</i>
Accelerated capital allowances	(77,392)	<i>(355,306)</i>	(77,392)	<i>(355,306)</i>
Tax losses carried forward	69,407	<i>58,596</i>	69,407	<i>58,596</i>
Short term timing differences	1,601	<i>-</i>	1,601	<i>-</i>
	(6,384)	<i>(296,710)</i>	(6,384)	<i>(296,710)</i>

23. Share capital

	2017 £	2016 £
Authorised, allotted, called up and fully paid		
500,000 Allotted, called up and fully paid "A" Ordinary shares shares of £0.01 each	5,000	<i>5,000</i>
500,000 Allotted, called up and fully paid "B" Ordinary shares shares of £0.01 each	5,000	<i>5,000</i>
	10,000	<i>10,000</i>

BUFFALOAD LOGISTICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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23. Share capital (continued)

"A" and "B" Ordinary shares hold the same respective rights and are ranked pari-passu.

24. Reserves**Revaluation reserve**

Represents the accumulated surpluses and deficits arising on the revaluation of the group's fixed assets.

Profit and loss account

Includes all current and prior periods retained profits and losses.

25. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £73,802 (period ended 2016 - £24,137). Contributions totalling £9,420 (31 December 2016 - £11,678) were payable to the fund at the balance sheet date.

26. Commitments under operating leases

At 31 December 2017 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2017 £	<i>Group 2016 £</i>	Company 2017 £	<i>Company 2016 £</i>
Not later than 1 year	697,500	<i>127,000</i>	697,500	<i>127,000</i>
Later than 1 year and not later than 5 years	3,640,000	<i>242,792</i>	3,640,000	<i>242,792</i>
Later than 5 years	4,020,000	<i>235,000</i>	4,020,000	<i>235,000</i>
	8,357,500	<i>604,792</i>	8,357,500	<i>604,792</i>
	Group 2017 £	<i>Group 2016 £</i>	Company 2017 £	<i>Company 2016 £</i>
Not later than 1 year	373,811	<i>146,185</i>	373,811	<i>146,185</i>
Later than 1 year and not later than 5 years	1,238,948	<i>385,512</i>	1,238,948	<i>385,512</i>
Later than 5 years	-	<i>40,640</i>	-	<i>40,640</i>
	1,612,759	<i>572,337</i>	1,612,759	<i>572,337</i>

BUFFALOAD LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2017

27. Related party transactions

During the period the Company entered into transactions with Corkers Crisps Limited, a company under common control. The amount due from that company at the period end was £1,026,540 (31 December 2016: £1,026,455).

During the period the Company entered into transactions with 2 Sisters Food Group Limited, a company under common control. The amount due from that company at the period end was £22,626 (31 December 2016: £NIL).

During the period the Company entered into transactions with Food Utopia Limited a company under common control. The amount due from that company at the period end was £792 (31 December 2016: £NIL).

Rent payable to Mr R Taylor for occupation of premises totalled £105,003 (period ended 31 December 2016 - £67,000).

During the period the company operated a loan account with Mr R Taylor (50% shareholder). The amount due to Mr R Taylor of £1,173,037 is included within creditors at the period end (31 December 2016 - £1,392,483). No interest was charged during the period.

During the period the Company entered into transactions with Buffaload Agriculture Limited, a company in which Ms J A Feltwell and Mr R Taylor are shareholders. The amount due to that company at the period end was £60,775 (31 December 2016 - £30,008).

During the previous period the Company entered into transactions with Ashurst Limited, a company in which Ms J A Feltwell and Mr R Taylor are shareholders. The amount due from that company at the period end was £NIL (31 December 2016 - £27,565).

During the period the Company entered into transactions with Amber REI Holdings Limited, a company under common ownership. The amount due to that company at the period end was £450,535 (31 December 2016: £375,000).

During the period the Company entered into transactions with Amber Machinery Limited, a company under common ownership. The amount due from that company at the period end was £31,600 (31 December 2016: £NIL).

During the period the Company entered into transactions with TFP Ventures Limited a company in which Mr R Taylor is a shareholder. The amount due to that company at the period end was £84,788 (31 December 2016: £NIL).

During the previous period the Company entered into transactions with Quick Response Drivers Limited, a company in which Ms J A Feltwell and Mr R Taylor are shareholders. The amount due from that company at the period end was £NIL (31 December 2016 - £53,272).

BUFFALOLOAD LOGISTICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017**

Related party transactions (continued)

Transactions with the above related parties are disclosed below:

	Sales 2017 £	Purchases 2017 £	2017 Debtor £	2017 Creditor £
Corkers Crisps Limited	17,610	17,539	1,026,540	-
2 Sisters Food Group Limited	1,703,224	-	22,626	-
Food Utopia Limited	116,453	-	792	-
Mr R Taylor	9,374	154,668	-	1,173,037
Buffaload Agriculture Limited	59,881	-	60,775	-
Ashurst Limited	-	-	-	-
Amber REI Holdings Limited	-	51,984	-	450,535
Amber Machinery Limited	31,800	-	31,800	-
TPF Ventures Limited	-	507,000	-	84,788
	<u>1,938,342</u>	<u>731,191</u>	<u>1,142,533</u>	<u>1,708,360</u>

Related party transactions (continued)

	2016 Debtor £	2016 Creditor £
Corkers Crisps Limited	1,026,455	-
Quick Response Drivers Limited	53,272	-
MT R Taylor	-	1,045,292
Ashurst Limited	27,565	-
Amber REI Holdings Limited	-	375,000
	<u>1,107,292</u>	<u>1,420,292</u>

28. Controlling party

The directors do not consider there to be one party with overall control of the Company.