

Company Registration No. SC516446 (Scotland)

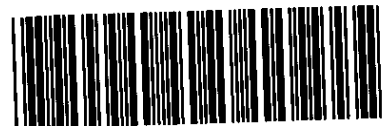
POLLOCK HOLDINGS LIMITED
ANNUAL REPORT AND FINANCIAL
STATEMENTS
FOR THE PERIOD ENDED 25 AUGUST 2018
(SC 171663)

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EDINBURGH

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COMPANIES HOUSE

POLLOCK HOLDINGS LIMITED

COMPANY INFORMATION

Directors	Mrs C Pollock Mr F Pollock Mr I Pollock Mr S Pollock
Company number	SC516446
Registered office	10 Blackburn Road Bathgate WEST LOTHIAN EH48 2EY
Auditor	Johnston Carmichael LLP 227 West George Street GLASGOW G2 2ND

POLLOCK HOLDINGS LIMITED

CONTENTS

	Page
Strategic report	1 - 2
Directors' report	3 - 4
Independent auditor's report	5 - 7
Group profit and loss account	8
Group balance sheet	9
Company balance sheet	10
Group statement of changes in equity	11
Company statement of changes in equity	12
Group statement of cash flows	13
Notes to the financial statements	14 - 34

POLLOCK HOLDINGS LIMITED

STRATEGIC REPORT

FOR THE PERIOD ENDED 25 AUGUST 2018

The directors present the strategic report for the 52 week period ended 25 August 2018.

Principal activities

The principal activities of the group during the year remained the provision of general haulage, pallet distribution and warehousing services within the United Kingdom.

Fair review of the business

The directors are disappointed to report a pre-tax loss of £776,887 (2017 - £229,448 loss) for the year under review. This result has been adversely affected by operational issues within our subsidiary company Gilbraith (TS) Limited which reported a pre-tax loss for the period of £547,347. Following the period end, the operations of Gilbraith (TS) Limited are being wound down. Net assets of the group are £4m (2017 - £4.9m) at the end of the period. The directors consider the above figures to be the key performance indicators of the business.

Our principal trading subsidiary, Pollock (Scotrans) Limited is pleased to report an increase in turnover and a net profit in the period under review.

This has been achieved by maintaining and enhancing our key customer relationships, winning new contracts from existing and new customers, the use of non-financial KPI's to monitor and manage factors including fuel efficiency and the use of agency drivers, and through active management of our cost base.

As noted above, the results of Gilbraith (TS) Limited for the year have been extremely disappointing. These have been adversely affected by an increased use of agency drivers, changes in the method by which we are remunerated from our participation in the Palletways distribution network and by a number of internal operational issues which have impacted on the efficiency of our service delivery.

Our London based transport brokerage, Pollock Express continues to make a modest but positive contribution to the results of the group.

Compliance with best practice in our health and safety procedures and our in-house driver trainers delivering skills training to our drivers, based on identified need or new regulatory developments, are extremely important to the company. In order to ensure that we remain focused and up to date with all relevant issues, our cross-departmental Risk & Insurance Group meets fortnightly and is regularly briefed by our insurers and other relevant third parties on key issues.

During the period, the group has continued to invest in our employee team through the recruitment and development of apprentices in both our office based teams and in our workshops, and also offering staff members the opportunity to gain CPC Transport Manager qualifications.

We continue to invest in our vehicle fleet and in the automation of business processes. Additionally, the installation of software in our fleet will ensure that we have the ability to forward plan our scheduling and maintenance, delivering improved performance to our customers.

POLLOCK HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 25 AUGUST 2018

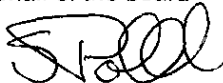
Principal risks and uncertainties

Pollock (Holdings) Limited continues to operate in a very competitive UK transport industry in which cost pressures and a shortage of experienced and qualified drivers are expected to continue to affect all participants.

Against that background we would describe the principal risks and uncertainties facing our business as follows:

Risk Factor	Mitigation and management
Pressure on margins due to industry-wide price competition	We are seeking to mitigate these risks by continuing our investment of both time and resources into the acquisition and implementation of technology which will improve the efficiency of our operations.
Shortage of experienced and qualified drivers	We also seek to ensure that our company remains attractive to existing and prospective drivers by offering them high quality work, in a modern and well maintained vehicle fleet.
Significant increase in fuel prices	We seek to mitigate that risk by the inclusion wherever possible of fuel escalators within key customer contracts which will allow us to pass on an element of an increase in our fuel price, based on a pre-agreed formula.

On behalf of the board



Mr S Pollock

Director

30/5/19

POLLOCK HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 25 AUGUST 2018

The directors present their annual report and financial statements for the Period ended 25 August 2018.

Principal activities

The principal activities of the group during the year remained the provision of general haulage, pallet distribution and warehousing services within the United Kingdom.

Directors

The directors who held office during the Period and up to the date of signature of the financial statements were as follows:

Mrs C Pollock
Mr F Pollock
Mr I Pollock
Mr S Pollock

Results and dividends

The results for the Period are set out on page 8.

Ordinary dividends were declared amounting to £130,439 (2017 - £277,500). The directors do not recommend payment of a further dividend.

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the group continues and that the appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee involvement

It is company policy that management should consult regularly with employees on matters which affect their employment and their views should be taken into account when decisions are taken which will affect their interests. It is policy to keep employees informed of developments and performance across the group.

Auditor

The auditor, Johnston Carmichael LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

POLLOCK HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 25 AUGUST 2018

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have 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 group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board



.....
Mr S Pollock

Director

Date: 22/5/18.....

POLLOCK HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF POLLOCK HOLDINGS LIMITED

Opinion

We have audited the financial statements of Pollock Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the Period ended 25 August 2018 which comprise the Group Profit & Loss Account, Group Balance Sheet, Company Balance Sheet, Group Statement of Changes in Equity, Company Statement of Changes in Equity, Group Cash Flow Statement and 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 the parent company's affairs as at 25 August 2018 and of the group's profit for the Period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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.

Conclusions relating to going concern

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

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

Other information

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

POLLOCK HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF POLLOCK HOLDINGS LIMITED

Opinions 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 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 Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our 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 Strategic Report and the Directors' Report.

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.

Responsibilities of directors

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, 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.

Auditor's 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.

POLLOCK HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF POLLOCK HOLDINGS LIMITED

Auditor's responsibilities for the audit of the financial statements (continued)


As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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.



Gavin Young (Senior Statutory Auditor)
for and on behalf of Johnston Carmichael LLP

30/5/19

Chartered Accountants
Statutory Auditor

227 West George Street
Glasgow
G2 2ND

POLLOCK HOLDINGS LIMITED

GROUP PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 25 AUGUST 2018

		Period ended 25 August 2018 £	Period ended 26 August 2017 £
	Notes		
Turnover	3	34,517,783	35,406,737
Cost of sales		(32,369,157)	(32,737,838)
Gross profit		2,148,626	2,668,899
Administrative expenses		(2,680,201)	(2,580,995)
Other operating income		61,348	37,517
Operating (loss)/profit	4	(470,227)	125,421
Interest receivable and similar income	8	11	34
Interest payable and similar expenses	9	(306,661)	(354,903)
Loss before taxation		(776,877)	(229,448)
Taxation	10	72,620	92,498
Loss for the financial Period	30	(704,257)	(136,950)
Total comprehensive expense for the Period		(704,257)	(136,950)

The total comprehensive expense for the Period is all attributable to the owners of the parent company,

The profit and loss account has been prepared on the basis that all operations are continuing operations.


POLLOCK HOLDINGS LIMITED

GROUP BALANCE SHEET

AS AT 25 AUGUST 2018

	Notes	As at 25 August 2018		As at 26 August 2017	
		£	£	£	£
Fixed assets					
Goodwill	13	-		192,435	
Tangible assets	14	11,189,241		10,288,834	
		<u>11,189,241</u>		<u>10,481,269</u>	
Current assets					
Stocks	19	104,397		70,743	
Debtors	20	9,540,509		9,416,212	
Cash at bank and in hand		14,333		334,982	
		<u>9,659,239</u>		<u>9,821,937</u>	
Creditors: amounts falling due within one year	21	(12,675,480)		(12,177,317)	
Net current liabilities		<u>(3,016,241)</u>		<u>(2,355,380)</u>	
Total assets less current liabilities		<u>8,173,000</u>		<u>8,125,889</u>	
Creditors: amounts falling due after more than one year	22	(3,916,025)		(2,961,598)	
Provisions for liabilities	25	(236,982)		(309,602)	
Net assets		<u><u>4,019,993</u></u>		<u><u>4,854,689</u></u>	
Capital and reserves					
Called up share capital	27	80,200		80,200	
Revaluation reserve	28	1,584,755		1,584,755	
Other reserves	29	505,000		505,000	
Profit and loss reserves	30	1,850,038		2,684,734	
Total equity		<u><u>4,019,993</u></u>		<u><u>4,854,689</u></u>	

The financial statements were approved by the board of directors and authorised for issue on 30/5/18 and are signed on its behalf by:



Mr S Pollock
Director

POLLOCK HOLDINGS LIMITED


COMPANY BALANCE SHEET

AS AT 25 AUGUST 2018

	Notes	As at 25 August 2018 £	£	As at 26 August 2017 £	£
Fixed assets					
Investment properties	15	3,326,862		3,326,862	
Investments	16	326,171		1,164,010	
		<u>3,653,033</u>		<u>4,490,872</u>	
Current assets					
Debtors	20	312,003		98,520	
Cash at bank and in hand		539		232,158	
		<u>312,542</u>		<u>330,678</u>	
Creditors: amounts falling due within one year	21	(1,258,465)		(599,411)	
Net current liabilities			(945,923)		(268,733)
Total assets less current liabilities			<u>2,707,110</u>		<u>4,222,139</u>
Capital and reserves					
Called up share capital	27	80,200		80,200	
Revaluation reserve	28	1,584,755		1,584,755	
Profit and loss reserves	30	1,042,155		2,557,184	
Total equity			<u>2,707,110</u>		<u>4,222,139</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £1,384,590 (2017 - £583,538 profit.).

The financial statements were approved by the board of directors and authorised for issue on 20/5/19..... and are signed on its behalf by:



Mr S Pollock
Director

Company Registration No. SC516446

POLLOCK HOLDINGS LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 25 AUGUST 2018

	Notes	Share capital £	Revaluation reserve £	Other reserves £	Profit and loss reserves £	Total £
Balance at 27 August 2016 as restated		80,200	1,584,755	505,000	3,099,184	5,269,139
Period ended 26 August 2017:						
Loss and total comprehensive income for the period		-	-	-	(136,950)	(136,950)
Dividends	11	-	-	-	(277,500)	(277,500)
Balance at 26 August 2017		80,200	1,584,755	505,000	2,684,734	4,854,689
Period ended 25 August 2018:						
Loss and total comprehensive expense for the period		-	-	-	(704,257)	(704,257)
Dividends	11	-	-	-	(130,439)	(130,439)
Balance at 25 August 2018		80,200	1,584,755	505,000	1,850,038	4,019,993

POLLOCK HOLDINGS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 25 AUGUST 2018

	Notes	Share capital £	Revaluation reserve £	Profit and loss reserves £	Total £
Balance at 27 August 2016 as restated		80,200	1,584,755	2,251,146	3,916,101
Period ended 26 August 2017:					
Profit and total comprehensive income for the period		-	-	583,538	583,538
Dividends	11	-	-	(277,500)	(277,500)
Balance at 26 August 2017		80,200	1,584,755	2,557,184	4,222,139
Period ended 25 August 2018:					
Loss and total comprehensive expense for the period		-	-	(1,384,590)	(1,384,590)
Dividends	11	-	-	(130,439)	(130,439)
Balance at 25 August 2018		80,200	1,584,755	1,042,155	2,707,110

POLLOCK HOLDINGS LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 25 AUGUST 2018

		Period ended 25 August 2018		Period ended 26 August 2017	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash generated from operations	35	1,021,599		1,297,298	
Interest paid		(306,661)		(354,903)	
Income taxes paid		(4,464)		(71,244)	
Net cash inflow from operating activities		710,474		871,151	
Investing activities					
Purchase of tangible fixed assets		(105,787)		(580,250)	
Proceeds on disposal of tangible fixed assets		287,288		207,371	
Interest received		11		34	
Net cash generated from/(used in) investing activities		181,512		(372,845)	
Financing activities					
Proceeds of new bank loans		-		350,000	
Repayment of bank loans		(20,937)		(17,805)	
Payment of hire purchase obligations		(1,456,868)		(1,647,781)	
Dividends paid to equity shareholders		(288,614)		(299,994)	
Net cash used in financing activities		(1,766,419)		(1,615,580)	
Net decrease in cash and cash equivalents		(874,433)		(1,117,274)	
Cash and cash equivalents at beginning of Period		(4,799,287)		(3,682,013)	
Cash and cash equivalents at end of Period		(5,673,720)		(4,799,287)	
Relating to:					
Cash at bank and in hand		14,333		334,982	
Bank loans and invoice financing facilities included in creditors		(5,688,053)		(5,134,269)	

POLLOCK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 25 AUGUST 2018

1 Accounting policies

Company information

Pollock Holdings Limited ("the company") is a limited company domiciled and incorporated in Scotland. The registered office is 10 Blackburn Road, Bathgate, West Lothian, EH48 2EY. The company's registration number is SC516446.

The group consists of Pollock Holdings Limited and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.


1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Investments in subsidiaries are accounted for at cost less impairment..

The consolidated financial statements incorporate those of Pollock Holdings Limited and all of its subsidiaries (entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 25 August 2018. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

 The company has granted its subsidiary, Pollock Express Limited (SC171663), a statement of guarantee under section 479 of the Companies Act 2006 in order to exempt it from the requirement for its financial statements to be audited.

1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

POLLOCK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 25 AUGUST 2018

1 Accounting policies

(Continued)

1.4 Reporting period

The group prepares accounts to the last Saturday in August each year and, although this complies with the requirement to submit accounts at least annually, the length of the accounting period varies as a result. The comparative amounts presented in the financial statements are in respect of a similar 52 week period.

1.5 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, and is shown net of VAT. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Turnover for road haulage is recognised at the point at which deliveries have been completed. Warehouse storage charges are billed periodically reflecting the amount of space occupied on a week-to-week basis.

1.6 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.7 Tangible fixed assets

With the exception of freehold property, tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant & equipment	10 - 20% straight line
Motor vehicles	20% straight line
Commercial Vehicles	10 - 20% straight line

Freehold property is stated in the balance sheet at revalued amounts, being the fair value on the date of revaluation less any subsequent impairment losses. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which could be determined using fair values at the reporting end date.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

POLLOCK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 25 AUGUST 2018

1 Accounting policies

(Continued)

1.8 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

Where fair value cannot be achieved without undue cost or effort, investment property is accounted for as tangible fixed assets.

1.9 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.10 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

1.11 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.12 Cash and cash equivalents

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

POLLOCK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 25 AUGUST 2018

1 Accounting policies

(Continued)

1.13 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

POLLOCK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 25 AUGUST 2018

1 Accounting policies

(Continued)

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.14 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.15 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

POLLOCK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 25 AUGUST 2018

1 Accounting policies

(Continued)

1.16 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.17 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.18 Leases

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

Assets held under finance leases are recognised as assets at the lower of the assets' fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows:

Useful lives of tangible fixed assets

In order to depreciate fixed assets over their useful lives, the directors must estimate the length of these useful lives. While they have adopted estimates which reflect those used for similar assets in similar industries, the actual length of time that an asset is used for may vary from the estimate. At 25 August 2018, the carrying value of tangible fixed assets was £11,189,241 (2017 - £10,288,834)

POLLOCK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 25 AUGUST 2018

3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2018 £	2017 £
Turnover analysed by class of business		
Haulage, transportation and warehousing services	34,517,783	35,406,737

	2018 £	2017 £
Other significant revenue		
Interest income	11	34

	2018 £	2017 £
Turnover analysed by geographical market		
United Kingdom	34,517,783	35,406,737

4 Operating (loss)/profit

	2018 £	2017 £
Operating (loss)/profit for the period is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	693,770	760,114
Depreciation of tangible fixed assets held under hire purchase	934,312	851,253
Profit on disposal of tangible fixed assets	(4,403)	(36,890)
Amortisation of intangible assets	32,075	32,072
Impairment of intangible assets	160,360	-
Cost of stocks recognised as an expense	8,382,006	7,542,835
Operating lease charges	2,178,742	2,414,130

5 Auditor's remuneration

	2018 £	2017 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	4,000	4,000
Audit of the financial statements of the company's subsidiaries	20,400	20,400
	24,400	24,400

POLLOCK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 25 AUGUST 2018

6 Employees

The average monthly number of persons (including directors) employed by the group and company during the Period was:

	Group 2018 Number	2017 Number	Company 2018 Number	2017 Number
Drivers, warehouse & security	251	257	-	-
Office staff	58	67	-	-
Directors	4	4	-	-
	<u>313</u>	<u>328</u>	<u>-</u>	<u>-</u>

Their aggregate remuneration comprised:

	Group 2018 £	2017 £	Company 2018 £	2017 £
Wages and salaries	9,036,300	8,963,398	-	-
Social security costs	792,395	732,337	-	-
Pension costs	121,874	285,714	-	135,000
	<u>9,950,569</u>	<u>9,981,449</u>	<u>-</u>	<u>135,000</u>

7 Directors' remuneration

	2018 £	2017 £
Remuneration for qualifying services	25,500	22,000
Company pension contributions to defined contribution schemes	23,230	293,230
	<u>48,730</u>	<u>315,230</u>

8 Interest receivable and similar income

	2018 £	2017 £
Interest income		
Interest on bank deposits	<u>11</u>	<u>34</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	<u>11</u>	<u>34</u>
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POLLOCK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 25 AUGUST 2018

9 Interest payable and similar expenses

	2018	2017
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	9,615	7,915
Interest on finance leases and hire purchase contracts	167,310	217,975
Interest on invoice finance arrangements	129,736	129,013
	<u>306,661</u>	<u>354,903</u>

POLLOCK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 25 AUGUST 2018

10 Taxation

	2018 £	2017 £
Current tax		
UK corporation tax on profits for the current period	-	17,256
Adjustments in respect of prior periods	-	(43,836)
Total current tax	-	(26,580)
Deferred tax		
Origination and reversal of timing differences	(72,532)	(46,365)
Changes in tax rates	-	(19,553)
Adjustment in respect of prior periods	(88)	-
Total deferred tax	(72,620)	(65,918)
Total tax charge	(72,620)	(92,498)

The actual charge for the Period can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

	2018 £	2017 £
Loss before taxation	(776,877)	(229,448)
Expected tax charge based on the standard rate of corporation tax 19% (2017 - 19.59%)	(147,607)	(44,949)
Tax effect of expenses that are not deductible in determining taxable profit	65,874	6,487
Change in unrecognised deferred tax assets	935	-
Adjustments in respect of prior years	-	(43,827)
Deferred tax adjustments in respect of prior years	24	(2,348)
Adjust closing deferred tax to average rate	8,154	(14,147)
Other adjustments	-	6,286
Tax expense for the period	(72,620)	(92,498)

POLLOCK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 25 AUGUST 2018

11 Dividends

Group	2018 £	2017 £
Interim declared	130,439	277,500
Company	2018 £	2017 £
Interim declared	130,439	277,500

12 Impairments

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

	Notes	2018 £	2017 £
In respect of:			
Goodwill - Group	13	160,360	-
Fixed asset investments - Company	16	837,839	-
Amounts due from group undertakings - Company		450,171	-
Recognised in:			
Administrative expenses - Group		160,360	-
Administrative expenses - Company		450,171	-
Amounts written off investments - Company		837,839	-

The impairment losses in respect of financial assets are recognised in other gains and losses in the profit and loss account.

POLLOCK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 25 AUGUST 2018

13 Intangible fixed assets

Group	Goodwill £
Cost	
At 27 August 2017 and 25 August 2018	320,723
Amortisation and impairment	
At 27 August 2017	128,288
Amortisation charged for the Period	32,075
Impairment losses	160,360
At 25 August 2018	320,723
Carrying amount	
At 25 August 2018	-
At 26 August 2017	192,435

The company had no intangible fixed assets at 25 August 2018 or 26 August 2017.

More information on the impairment arising in the Period is given in note 12.

14 Tangible fixed assets

Group	Freehold land and buildings	Plant & Motor vehicles Machinery	Commercial vehicles	Total
	£	£	£	£
Cost or valuation				
At 27 August 2017	3,326,862	1,095,369	87,095	12,493,326
Additions	-	35,617	-	2,775,757
Disposals	-	(420)	-	(892,104)
At 25 August 2018	3,326,862	1,130,566	87,095	14,376,979
Depreciation and impairment				
At 27 August 2017	-	763,738	36,032	5,914,048
Depreciation charged in the Period	-	102,599	13,317	1,512,166
Eliminated in respect of disposals	-	(55)	-	(609,584)
At 25 August 2018	-	866,282	49,349	6,816,630
Carrying amount				
At 25 August 2018	3,326,862	264,284	37,746	7,560,349
At 26 August 2017	3,326,862	331,631	51,063	6,579,278

The company had no tangible fixed assets at 25 August 2018 or 26 August 2017, other than those classified as investment properties and disclosed in note 15.

POLLOCK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 25 AUGUST 2018

14 Tangible fixed assets

(Continued)

The carrying value of land and buildings comprises:

	Group 2018 £	2017 £	Company 2018 £	2017 £
Freehold	3,326,862	3,326,862	-	-

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	Group 2018 £	2017 £	Company 2018 £	2017 £
Commercial vehicles	5,309,194	4,831,993	-	-
Plant & equipment	103,911	124,906	-	-
Motor vehicles	9,688	17,544	-	-
	5,422,793	4,974,443	-	-
Depreciation charge for the Period in respect of HP assets	934,312	851,253	-	-

Freehold land and buildings were revalued during a prior period to fair value, based on historic valuations carried out by independent chartered surveyors on the basis of market value, updated to reflect recent market transactions on arm's length terms for similar properties.

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	Group 2018 £	2017 £	Company 2018 £	2017 £
Cost	2,276,766	2,276,766	-	-
Accumulated depreciation	(811,521)	(811,521)	-	-
Carrying value	1,465,245	1,465,245	-	-

POLLOCK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 25 AUGUST 2018

15 Investment property

	Group 2018 £	Company 2018 £
Fair value		
At 26 August 2017 and 25 August 2018	-	3,326,862

Investment property comprises freehold land and buildings owned by the company and leased to its subsidiaries. The fair value of the investment property has been based on historic valuations carried out by independent chartered surveyors on the basis of market value, updated to reflect recent market transactions on arm's length terms for similar properties.

16 Fixed asset investments

	Notes	Group 2018 £	2017 £	Company 2018 £	2017 £
Investments in subsidiaries	17	-	-	326,171	1,164,010

Movements in fixed asset investments Company

	Shares in group undertakings £
Cost or valuation	
At 27 August 2017 and 25 August 2018	1,164,010
Impairment	
At 27 August 2017	-
Impairment losses	837,839
At 25 August 2018	837,839
Carrying amount	
At 25 August 2018	326,171
At 26 August 2017	1,164,010


POLLOCK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 25 AUGUST 2018

17 Subsidiaries

Details of the company's subsidiaries at 25 August 2018 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Gilbraith (TS) Limited	See below.	Road haulage, warehousing and distribution	Ordinary	100	
Pollock (Scotrans) Limited	See below.	Road haulage, warehousing and distribution	Ordinary	100	
 Pollock Express Limited	See below.	Road haulage, warehousing and distribution	Ordinary	100	

Pollock (Scotrans) Limited and Pollock Express Limited have their registered offices at 10 Blackburn Road, Bathgate, West Lothian, EH48 2EY.

Gilbraith (TS) Limited has its registered office at Transport House, Iron Street, Blackburn, Lancashire, BB2 3RA.

18 Financial instruments

	Group 2018 £	2017 £	Company 2018 £	2017 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	9,024,130	8,793,735	306,237	97,240
Carrying amount of financial liabilities				
Measured at amortised cost	16,225,802	14,550,204	1,258,465	599,411

19 Stocks

	Group 2018 £	2017 £	Company 2018 £	2017 £
Raw materials and consumables	104,397	70,743	-	-

20 Debtors

	Group 2018 £	2017 £	Company 2018 £	2017 £
Amounts falling due within one year:				
Trade debtors	8,622,865	8,554,834	-	-
Amounts owed by group undertakings	-	-	160,000	-
Other debtors	407,031	240,181	152,003	98,520
Prepayments and accrued income	510,613	621,197	-	-
	9,540,509	9,416,212	312,003	98,520

POLLOCK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 25 AUGUST 2018

20 Debtors

(Continued)

Trade debtors above include £8,143,155 (2017: £7,202,165) that are subject to invoice financing agreements.

21 Creditors: amounts falling due within one year

		Group 2018	2017	Company 2018	2017
	Notes	£	£	£	£
Bank loans and invoice financing	23	5,709,086	5,153,004	-	-
Hire purchase liabilities		1,653,752	1,382,695	-	-
Trade creditors		3,812,104	4,321,795	16,080	-
Amounts due to group undertakings		-	-	1,233,769	441,236
Corporation tax payable		13,384	17,848	-	-
Other taxation and social security		352,319	570,863	-	-
Other creditors		362,685	314,378	8,616	158,175
Accruals and deferred income		772,150	416,734	-	-
		<u>12,675,480</u>	<u>12,177,317</u>	<u>1,258,465</u>	<u>599,411</u>

22 Creditors: amounts falling due after more than one year

		Group 2018	2017	Company 2018	2017
	Notes	£	£	£	£
Bank loans and invoice financing	23	290,225	313,460	-	-
Hire purchase liabilities		3,625,800	2,648,138	-	-
		<u>3,916,025</u>	<u>2,961,598</u>	<u>-</u>	<u>-</u>

23 Loans and overdrafts

		Group 2018	2017	Company 2018	2017
		£	£	£	£
Bank loans		311,258	332,195	-	-
Invoice financing		5,688,053	5,134,269	-	-
		<u>5,999,311</u>	<u>5,466,464</u>	<u>-</u>	<u>-</u>
Payable within one year		5,709,086	5,153,004	-	-
Payable after one year		290,225	313,460	-	-

POLLOCK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 25 AUGUST 2018

23 Loans and overdrafts

(Continued)

Amounts due under invoice financing arrangements with the Royal Bank of Scotland PLC are secured on the sales ledger balances of the applicable company.

Amounts due under bank loans are secured by a floating charge over the assets of Pollock (Scotrans) Limited. Pollock Holdings Limited has guaranteed the loan on behalf of Pollock (Scotrans) Limited.

24 Hire purchase obligations

	Group 2018 £	2017 £	Company 2018 £	2017 £
Future minimum payments due under Hire purchase:				
Within one year	1,825,926	1,527,883	-	-
In two to five years	4,002,938	2,922,099	-	-
	<u>5,828,864</u>	<u>4,449,982</u>	<u>-</u>	<u>-</u>
Less: future finance charges	(549,312)	(419,149)	-	-
	<u>5,279,552</u>	<u>4,030,833</u>	<u>-</u>	<u>-</u>

Hire purchase payments represent amounts payable by the company or group for certain items of plant and machinery. At the end of the agreement assets are owned by the company and no restrictions are placed on the use of the assets. The average agreement term is five years. All hire purchase agreements are on a fixed repayment basis and no arrangements have been entered into for contingent payments.

All hire purchase liabilities are secured on the assets being financed.

25 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2018 £	Liabilities 2017 £
Group		
Accelerated capital allowances	<u>236,982</u>	<u>309,602</u>

The company has no deferred tax assets or liabilities.

POLLOCK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 25 AUGUST 2018

25 Deferred taxation

(Continued)

	Group 2018 £	Company 2018 £
Movements in the Period:		
Liability at 27 August 2017	309,602	-
Credit to profit or loss	(72,620)	-
Liability at 25 August 2018	<u>236,982</u>	<u>-</u>

The deferred tax liability set out above relates to accelerated capital allowances that are not expected to reverse within 12 months.

26 Retirement benefit schemes

	2018 £	2017 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>121,874</u>	<u>285,714</u>

The group makes contributions to group personal pensions schemes on behalf of all qualifying employees. The assets of such schemes are held separately from those of the group and are administered by independent third party providers.

27 Share capital

	Group and company 2018 £	2017 £
Ordinary share capital		
Issued and fully paid		
8,020,000 Ordinary Shares of 1p each	<u>80,200</u>	<u>80,200</u>

28 Revaluation reserve

Revaluation reserves represent the cumulative balance of unrealised revaluation gains arising on fixed assets.

29 Other reserves

Merger reserves represent the cumulative differences between the fair value of assets acquired, and the consideration in cash given and shares issued in exchange during mergers undertaken by the group.

POLLOCK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 25 AUGUST 2018

30 Profit and loss reserves

Retained earnings represent the cumulative total of all profits and losses arising in the current year and all prior years.

31 Operating lease commitments

Lessee

Payments under operating leases relate to the hire of certain commercial vehicles and office equipment. Such leases last between two and five years, depending on the needs of the business, and do not have an option to acquire the leased asset at the end of the agreement.

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2018 £	2017 £	Company 2018 £	2017 £
Within one year	1,712,118	2,285,433	-	-
Between two and five years	1,452,950	1,980,421	-	-
In over five years	397	-	-	-
	<u>3,165,465</u>	<u>4,265,854</u>	<u>-</u>	<u>-</u>

32 Capital commitments

Amounts contracted for but not provided in the financial statements:

	Group 2018 £	2017 £	Company 2018 £	2017 £
Acquisition of tangible fixed assets	<u>113,890</u>	<u>-</u>	<u>-</u>	<u>-</u>

33 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2018 £	2017 £
Aggregate compensation	<u>360,807</u>	<u>429,381</u>

POLLOCK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 25 AUGUST 2018

33 Related party transactions

(Continued)

Transactions with related parties

During the Period the group entered into the following transactions with related parties:

	Sale of services		Purchase of services	
	2018	2017	2018	2017
	£	£	£	£
Group				
Entities in which a person with significant control has a controlling interest	353,781	-	806,265	485,510

The following amounts were outstanding at the reporting end date:

	Amounts owed to related parties	
	2018	2017
	£	£
Group		
Entities in which a person with significant control has a controlling interest	233,803	136,443

The following amounts were outstanding at the reporting end date:

	Amounts owed by related parties	
	2018	2017
	£	£
Group		
Entities in which a person with significant control has a controlling interest	288,952	14,783

The company has granted the Royal Bank of Scotland PLC security over a loan made to Pollock (Scotrans) Limited. The maximum liability under this arrangement is £350,000.

POLLOCK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 25 AUGUST 2018

34 Directors' transactions

Dividends totalling £130,439 (2017 - £277,500) were paid in the period in respect of shares held by the company's directors.

Description	Opening balance £	Amounts advanced £	Amounts repaid £	Closing balance £
Loans to Directors	10,294	62,109	(29,743)	42,660
	<u>10,294</u>	<u>62,109</u>	<u>(29,743)</u>	<u>42,660</u>

Description	Opening balance £	Amounts advanced £	Amounts repaid £	Closing balance £
Loans from Directors	158,175	130,437	(273,551)	15,061
	<u>158,175</u>	<u>130,437</u>	<u>(273,551)</u>	<u>15,061</u>

Amounts due to and from directors are interest free, unsecured and repayable on demand.

35 Cash generated from group operations

	2018 £	2017 £
Loss for the Period after tax	(704,257)	(136,950)
Adjustments for:		
Taxation credited	(72,620)	(92,498)
Finance costs	306,661	354,903
Investment income	(11)	(34)
Gain on disposal of tangible fixed assets	(4,403)	(36,890)
Amortisation and impairment of intangible assets	192,435	32,072
Depreciation and impairment of tangible fixed assets	1,628,082	1,611,367
Movements in working capital:		
(Increase) in stocks	(33,654)	(43,346)
(Increase) in debtors	(124,297)	(933,583)
(Decrease)/increase in creditors	(166,337)	542,257
Cash generated from operations	<u>1,021,599</u>	<u>1,297,298</u>