Imperial Logistics Holding UK Limited

Annual report and financial statements
Registered number 10024634
For the year ended 30 June 2018

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Contents

Company information

Directors	T Schulz C Taucke (resigned 4 December 2018) J Wilson L Zubialde R Myatt
Auditor	Deloitte LLP Statutory Auditor 4 Brindley Place Birmingham B1 2HZ United Kingdom
Bankers	Unicredit Moor House 120 London Wall London EC2Y5ET
Solicitors	Travers Smith LLP 10 Snow Hill London EC1A 2AL Squire Patton Boggs Rutland House 148 Edmund Street Birmingham B3 2JR
Registered Office	Fradley Distribution Park Wood End Lane Fradley Park Lichfield Staffordshire WS13 8NE

Strategic report

The directors present their Strategic Report for the year ended 30 June 2018.

Principal activity and review of the business

Throughout the year the Company has acted as an intermediate parent undertaking. Profit and loss activity consists of directors' salaries, management charges and interest on inter-company balances along with any related tax effects from the current year and prior period.

The profit for the year after taxation amounted to £1,148,000 *(2017 – £1,951,000 loss).*

Future developments

The directors confirm that there are no future developments, which require disclosure.

Key performance indicators

Given the nature of the Company as an intermediate holding company, the directors believe that analysis using key performance indicators is not necessary nor appropriate for an understanding of the development, performance or position of the business of the company. The directors have appropriately not identified any applicable key performance indicators.

Principal risks and uncertainties

The Company is not exposed to any trading risks or uncertainties other than the flow through effect of those impacting the Group as a whole. The financial and risk management policies of the Company are determined in conjunction with its parent; Imperial Mobility UK Limited. The Company is exposed to the risk that group companies may not settle inter-company borrowings.

Financial risk management policy

The Company's principal financial instruments comprise group indebtedness, plus certain debtors and creditors. The main risks associated with these financial assets and liabilities are set out below:

Liquidity risk

Given the nature of the Company the directors do not believe that there are significant exposures arising from liquidity risk as the company is fully supported by a group treasury facility providing all funding requirements.

Interest rate risk

The Company has no external borrowings but certain intercompany loans which are based on LIBOR therefore the Company is subject to interest rate variability, but as this loan is part of a wider group funding arrangement, the inherent risk to the company is minimal. As a result the directors do not believe that there are significant exposures arising from interest rate risk.

Approved by and signed on behalf of the Board

J Wilson
Chief Executive Officer
18 March 2019

Directors' report

The directors present their report and audited financial statements for the year ended 30 June 2018.

Directors

The directors who served the Company during the year and up to the date of signing were as follows:

T Schulz
C Taucke (resigned 4 December 2018)
J Wilson
L Zubialde
R Myatt

Dividends

The Directors declared no dividend in the year or prior period to its immediate parent company, Imperial Mobility UK Limited.

Director's indemnities

The Company and its associated companies have made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Financial risk management and future developments

Disclosures in relation to financial risk management and future developments have been made in the Strategic Report included on page 2.

Going concern

The Company has net assets of £162.1 million at 30 June 2018. After reviewing the Company's forecasts and projections, the directors have a reasonable expectation that the Company will be able to continue in operational existence for at least 12 months from the date of approval of these financial statements. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Events after the balance sheet date.

On 15 February 2019, all of the £50.2m loans payable by subsidiary undertakings (see note 9) have been refinanced and are now due for repayment in full on 30 June 2020.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Deloitte LLP will therefore continue in office.

Approved and signed on behalf of the Board

J Wilson
Director

18 March 2019

Company registration number 10024634

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' 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 they have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including *FRS 101 Reduced Disclosure Framework.*

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 of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of Imperial Logistics Holding (UK) Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Imperial Logistics Holding (UK) Limited (the 'company') which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity;
- the related notes 1 to 16.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

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 company 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 are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in 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 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.

We have nothing to report in respect of these matters.

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 respect of these matters.

Independent auditor's report to the members of Imperial Logistics Holding (UK) Limited (continued)

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 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 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.

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. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

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 year 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.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

Independent auditor's report to the members of Imperial Logistics Holding (UK) Limited (continued)

Use of our report

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

R Duffy

Ryan Duffy (Senior statutory auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
Birmingham, United Kingdom

22 March 2019

Profit and loss account
for the year ended 30 June 2018

	Note	**Year ended 30 June 2018 £000**	Period ended 30 June 2017 £000
Administrative expenses		**(485)**	(3,447)
Operating loss		**(485)**	(3,447)
Interest receivable and similar income	*5*	**1,966**	1,779
Interest payable and similar charges	*6*	**(65)**	(43)
Profit/(loss) before taxation		**1,416**	(1,711)
Tax on profit/(loss)	*7*	**(268)**	(240)
Profit/(loss) for the financial year/period		**1,148**	(1,951)

All amounts relate to continuing activities.

There are no gains or losses other than the profit for the financial year. Therefore, no statement of comprehensive income has been prepared.

The notes on pages 11 to 21 form part of the financial statements.

Balance sheet
as at 30 June 2018

	Note	**30 June 2018 £000**	30 June 2017 £000
Fixed assets			
Investments	*8*	**115,102**	115,102
Current assets			
Debtors (including £50,214,000 due after more than one year (2017 – £48,294,000)	*9*	**50,219**	48,352
Cash at bank and in hand		**1**	1
		50,220	48,353
Creditors: amounts falling due within one year	*10*	**(2,898)**	(2,190)
Net current assets		**47,322**	46,163
Total assets less current liabilities		**162,424**	161,265
Creditors: amounts falling due after more than one year	*11*	**(290)**	(279)
Net assets		**162,134**	160,986
Capital and reserves			
Called up share capital	*12*	**6**	6
Share premium account	*12*	**162,931**	162,931
Profit and loss account		**(803)**	(1,951)
Shareholders' funds		**162,134**	160,986

The notes on pages 11 to 21 form part of the financial statements.

These financial statements were approved by the board of directors on 18 March 2019 and were signed on its behalf by:

R Myatt
Chief Financial Officer

Company registered number: 10024634

Statement of changes in equity

for the year ended 30 June 2018

	Note	**Called up share capital £000**	**Share premium £000**	**Profit and loss £000**	**Total equity £000**
Balance at incorporation		-	-	-	-
Loss for the period		-	-	(1,951)	(1,951)
Total comprehensive loss for the period		-	-	(1,951)	(1,951)
New share capital	*12*	6	162,931	-	162,937
Balance at 30 June 2017		**6**	**162,931**	**(1,951)**	**160,986**
Balance at 1 July 2017		6	162,931	(1,951)	160,986
Profit for the period		-	-	1,148	1,148
Total comprehensive income for the year		-	-	1,148	1,148
Balance at 30 June 2018		**6**	**162,931**	**(803)**	**162,134**

Notes
(forming part of the financial statements)

1. Accounting policies

Imperial Logistics Holding UK Limited (the "Company") is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the Company's registered office is shown on page 1.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

Following the acquisition of the Palletways group by the Imperial group on the 5th July 2016, the Company's year-end was changed to 30 June in order to align with that of the ultimate parent company, Imperial Logistics Limited. These financial statements therefore cover a period of twelve months. As the previous set of financial statements were the first since incorporation, they covered a period of just over sixteen months. Therefore amounts presented in the financial statements are not entirely comparable.

1.1. Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework ("FRS 101").*The amendments to FRS 101 (2015/16 Cycle) issued in July 2016 and effective immediately have been applied. These financial statements are presented in pound sterling and in round thousands.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company's ultimate parent undertaking, Imperial Logistics Limited, includes the Company in its consolidated financial statements. The consolidated financial statements of Imperial Logistics Limited are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from: Imperial Place, Jeppe Quondam, 79 Boeing Road East, Bedfordview, 2007, South Africa. The Company therefore takes the FRS101 exemption not to prepare consolidated financial statements.

Amendments to IFRSs and the new Interpretation that are mandatorily effective for the current year

In the current year, the Company has applied a number of amendments to IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2017. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendments to IAS 1 *Disclosure Initiative*	The Company has adopted the amendments to IAS 1 *Disclosure Initiative* for the first time in the current year. The amendments clarify that an entity need not provide a specific disclosure required by an IFRS if the information resulting from that disclosure is not material, and give guidance on the bases of aggregating and disaggregating information for disclosure purposes. However, the amendments reiterate that an entity should consider providing additional disclosures when compliance with the specific requirements in IFRS is insufficient to enable users of financial statements to understand the impact of particular transactions, events and conditions on the entity's financial position and financial performance. The adoption of these amendments has not resulted in any impact on the financial performance or financial position of the Company.
Amendments to IAS 16 and IAS 38 *Clarification of Acceptable Methods of Depreciation and Amortisation*	The Company has adopted the amendments to IAS 16 and IAS 38 *Clarification of Acceptable Methods of Depreciation and Amortisation* for the first time in the current year. The amendments to IAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. This presumption can only be rebutted in the following two limited circumstances: a) when the intangible asset is expressed as a measure of revenue; or b) when it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated.

Notes *(continued)*

1 Accounting policies *(continued)*

1.1 Basis of preparation (continued)

Amendments to IFRSs and the new Interpretation that are mandatorily effective for the current year (continued)

Amendments to IAS 16 and IAS 38 *Clarification of Acceptable Methods of Depreciation and Amortisation (continued)*	As the Company already uses the straight-line method for depreciation and amortisation for its property, plant and equipment and intangible assets, respectively, the adoption of these amendments has had no impact on the Company's financial statements.
Amendments to IAS 27 *Equity Method in Separate Financial Statements*	The Company has adopted the amendments to IAS 27 *Equity Method in Separate Financial Statements* in the current year. The amendments focus on separate financial statements and allow the use of the equity method in such statements. Specifically, the amendments allow an entity to account for investments in subsidiaries, joint ventures and associates in its separate financial statements: • at cost; • in accordance with IFRS 9 (or IAS 39 for entities that have not yet adopted IFRS 9); or • using the equity method as described in IAS 28 *Investments in Associates and Joint Ventures*. The same accounting must be applied to each category of investments. The amendments also clarify that when a parent ceases to be an investment entity, or becomes an investment entity, it should account for the change from the date when the change in status occurs. The adoption of the amendments has had no impact on the Company's financial statements as the Company accounts for investments in subsidiaries and associates at cost and is not an investment entity.
Annual Improvements to IFRSs 2012-2014 Cycle	The Company has adopted the amendments to IFRSs included in the *Annual Improvements to IFRSs 2012-2014 Cycle* for the first time in the current year. The amendments to IAS 19 clarify that the rate used to discount post-employment benefit obligations should be determined by reference to market yields at the end of the reporting period on high quality corporate bonds. The assessment of the depth of a market for high qualify corporate bonds should be at the currency level (i.e. the same currency as the benefits are to be paid). For currencies for which there is no deep market in such high quality corporate bonds, the market yields at the end of the reporting period on government bonds denominated in that currency should be used instead. The adoption of these amendments has had no effect on the Company's financial statements.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- Cash Flow Statement and related notes;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel;
- Disclosures in respect of capital management;
- Disclosures of related party transactions entered into with fellow Group members, where the subsidiary is wholly owned; and

Notes *(continued)*

1 Accounting policies *(continued)*

1.1. Basis of preparation (continued)

- Disclosures of transactions with a management entity that provides key management personnel services to the company.

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

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 14.

1.2. Going concern

The Company has net assets of £162.1 million at 30 June 2018. After reviewing the Company's forecasts and projections, the directors have a reasonable expectation that the Company has adequate resources to meet its liabilities as they fall due for the foreseeable future including for a minimum of 12 months from the date of approval of these financial statements. Accordingly, the financial statements have been prepared on a going concern basis.

1.3. Measurement convention

The financial statements are prepared on the historical cost basis.

1.4. Foreign currency

Transactions in foreign currencies are translated to the Company's functional currencies at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

1.5. Non-derivative financial instruments

Non-derivative financial instruments comprise amounts due to and from Group undertakings, other debtors, group relief payable and accruals.

Amounts due to Group undertakings, group relief payable and accruals

Amounts due to Group undertakings, group relief payable and accruals are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Amounts due from Group undertakings, and other debtor

Amounts due from Group undertakings, and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Investments in subsidiaries

Investments are stated at cost less impairment.

Cash at bank and in hand

Cash at bank and in hand comprise cash balances and call deposits.

Notes *(continued)*

1 Accounting policies *(continued)*

1.6. Impairment

Financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment, an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

1.7. Classification of financial instruments issued by the Company

Financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and

(b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

1.8. *Taxation*

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Notes *(continued)*

2 Auditor's remuneration

Fees payable to the Company's Auditors for the audit of the company's financial statement amounted to £2,000 *(2017 - £4,000).*

No other fees are paid to the Company's auditor, Deloitte LLP, and its associates for services other than the statutory audit of the Company.

3 Staff numbers and costs

The average monthly number of persons employed by the Company (including directors) during the period, analysed by category, was as follows:

	Year ended 30 June 2018	Period ended 30 June 2017
	Number	Number
Administration	**5**	6

The aggregate payroll costs of these persons were as follows:

	Year ended 30 June 2018 £000	Period ended 30 June 2017 £000
Wages and salaries	**1,231**	1,037
Social security costs	**135**	197
Contributions to defined contribution plans	**64**	57
	1,430	1,291

4 Directors' remuneration

	Year ended 30 June 2018 £000	Period ended 30 June 2017 £000
Directors' remuneration	**817**	688
Company contributions to money purchase pension plans	**45**	36
	Number	Number
Retirement benefits are accruing to the following number of directors under money purchase schemes	**3**	3

The aggregate of remuneration of the highest paid director was £302,000, and company pension contributions of £27,000 were made to a money purchase scheme on his behalf.

Notes *(continued)*

5 Interest receivable and similar income

	Year ended 30 June 2018 £000	Period ended 30 June 2017 £000
Group interest receivable	**1,966**	1,779

6 Interest payable and similar charges

	Year ended 30 June 2018 £000	Period ended 30 June 2017 £000
Group interest payable	**65**	43

7 Taxation

	Year ended 30 June 2018 £000	Period ended 30 June 2017 £000
UK corporation tax		
Current tax on profit for the period	**124**	240
Adjustments in respect of prior periods	**144**	-
	268	240

Notes *(continued)*

7. Taxation (continued)

Reconciliation of effective tax rate

	Year ended 30 June 2018 £000	Period ended 30 June 2017 £000
Profit/(loss) for the year/period	**1,148**	(1,951)
Total tax expense	**268**	240
Profit/(loss) excluding taxation	**1,416**	(1,711)
Tax using the UK corporation tax rate of 19% *(2017:19.77%)*	**268**	(338)
Expenses not deductible for tax purposes	**-**	578
Total tax expense	**268**	240

Reductions in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015.

An additional reduction to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly.

8. Investments

	Subsidiary undertakings £000
Cost and NBV	
At beginning and end of period	**115,102**

Notes *(continued)*

8. Investments (continued)

Details of the investments in which the Company holds 20% or more of the nominal value of any class of share capital are as follows:

Name of company	Principal place of business	Holding	% Held business	Nature of
Palletways Group Limited*	England	Ordinary shares	100%	Parent undertaking
Palletways Finance Limited▲*	England	Ordinary shares	100%	Financing
Palletways Holdings Limited▲*	England	Ordinary shares	100%	Parent undertaking
Palletways (UK) Limited▲*	England	Ordinary shares	100%	Distribution of palletised goods
Palletways (Europe) Limited▲*	England	Ordinary shares	100%	Parent undertaking
Palletways Iberia S L▲**	Spain	Ordinary shares	100%	Distribution of palletised goods
Palletways Italia S p A▲***	Italy	Ordinary shares	100%	Distribution of palletised goods
Palletways Europe GmbH▲****	Switzerland	Ordinary shares	100%	Distribution of palletised goods
Palletways France S A S▲*****	France	Ordinary shares	100%	Dormant
Palletways Iberia Services SL▲**	Spain	Ordinary shares	100%	Customer Services

▲ held indirectly, the country of incorporation of these businesses is the same as their principal place of business.

The registered addresses of the above companies are as follows:

* Fradley Distribution Park, Wood End Lane, Fradley Park, Lichfield, Staffordshire, United Kingdom WS13 8NE

** Ctra Antigua Madrid- Barcelona km 26, 550 Polígono Industrial Zanussi 28802 Alcala de Henares Madrid, Spain

*** Via Pradazzo, 7, 40012 Calderara di Reno (Bo), Italy

**** Zugerstrasse 77, 6340 Baar, Switzerland

***** 14 Avenue de l'Opéra 75001 Paris, France

9 Debtors

	30 June 2018 £000	30 June 2017 £000
Amounts due by subsidiary undertakings	**50,214**	48,294
Other debtors	**5**	58
	50,219	48,352
Due within one year	**5**	58
Due after more than one year	**50,214**	48,294

Interest is charged on amounts owed by subsidiary undertakings on an arm's length basis at either 4% or the 3 months GBP Libor rate plus a margin of 2.5%. The amounts were repayable in full on 5 July 2019, but have been refinanced on 15 February 2019, and are now due for repayment in full on 30 June 2020 (see note 16).

Notes *(continued)*

10 Creditors: amounts falling due within one year

	30 June 2018 £000	30 June 2017 £000
Amounts due to parent undertaking	**1,844**	1,766
Amounts due to subsidiary undertaking	**540**	94
Group relief payable	**443**	240
Accruals	**6**	90
Corporation tax	**65**	-
	2,898	2,190

Interest is charged on amounts owed to parent and subsidiary undertakings on an arm's length basis at either 4% or the 3 months GBP Libor rate plus a margin of 2.5%. The amounts have no fixed date for repayment.

11 Creditors: amounts falling due after more than one year

	30 June 2018 £000	30 June 2017 £000
Amounts due to parent undertaking	**290**	279

Interest is charged on amounts owed to parent undertaking on an arm's length basis at the 3 months GBP libor rate plus a margin of 2.5%. The amount is repayable in full on 5 July 2019.

12 Capital and reserves

Share capital

	30 June 2018 £000	30 June 2017 £000
Authorised		
595,630 A1 Ordinary shares of £0.01 each	6	6
29,950 B Ordinary shares of £0.0001 each	-	-
72,400 C1 Ordinary shares of £0.0001 each	-	-
7,600 C2 Ordinary shares of £0.000026 each	-	-
Allotted, called up and fully paid		
595,630 A1 Ordinary shares of £0.01 each	6	6
29,950 B Ordinary shares of £0.0001 each	-	-
72,400 C1 Ordinary shares of £0.0001 each	-	-
7,600 C2 Ordinary shares of £0.000026 each	-	-

In July 2016 1 ordinary share of £1.00, comprising the entire issued share capital of the Company on incorporation, was subdivided into 100 ordinary shares of £0.01 each and following the sub-division, the 100 ordinary shares of £0.01 each were re-designated as 100 A1 ordinary shares of £0.01 each. The authorised share capital of the Company was also increased with the creation of an additional 595,530 of A1 ordinary shares of £0.01 each, 29,826 of B ordinary shares of £0.0001 each, 72,400 C1 ordinary shares of £0.0001 each and 7,600 C2 ordinary shares of £0.000026 each.

Notes *(continued)*

12 Capital and reserves (continued)

Also in July 2016, 595,630 A1 ordinary shares, 29,759 B ordinary shares, 72,400 C1 ordinary shares and 7,600 C2 ordinary shares were allotted at a value of £260.45 per share for the A1 and B shares, at nominal value for the C1 shares and £0.20 per share for the C2 shares, creating a £162.9 million share premium reserve. Subsequently in June 2017, 191 B ordinary shares were allotted at a value of £276 per share adding a further £53,000 to the share premium reserve.

The holders of ordinary shares are entitled to receive dividends as declared from time to time, subject to the provisions set out in the Articles of Association.

The A shares shall confer the right to 80% of the total voting rights of all shares at any time which shall be allocated amongst the holders in proportion to the number of A shares held.

The C2 shares shall confer on each holder, regardless of the number of C2 shares held, the right to 5% of the total voting rights of all shares at any time save that as a class the C2 shares shall never have more than 20% of the total voting rights of all shares at any time and so that if, at any time there are more than four holders of C2 shares who are Employees, the four holders of C2 shares who are Employees and hold the greatest number of C2 shares shall, regardless of the number of C2 shares held, each have the right to 5% of the total voting rights of all shares, and the remainder of the holders of C2 shares who are Employees shall not be entitled to receive notice of, attend, speak or vote at any general meeting of the Company or on any written resolution.

The holders of B shares and C1 shares shall not be entitled to receive notice of, attend, speak or vote at any general meeting of the Company or on any written resolution.

Share premium

	30 June 2018
	£000
At beginning and end of the year	**162,931**

13 Related parties

The Company has transacted in the period with related parties, being subsidiaries and other members of the wider group of Imperial Logistics Limited. As all such related parties transacted with are wholly owned members of the wider group, the Company has taken advantage of FRS 101.8 (k) from disclosing transactions with such fellow Group members.

Notes *(continued)*

14 Accounting estimates and judgements

The key assumptions concerning the areas of uncertainty at the balance sheet date which have a significant risk of causing a material adjustment to carrying amounts are:

Judgements

Recoverability of amounts owed by group undertakings

The recoverability of amounts owed by group undertakings are assessed at each balance sheet date based upon forecast cash flows of the businesses. Provisions are made where recoverability is not deemed probable. There are no provisions held at year end.

Carrying value of fixed asset investments

The carrying value of fixed asset investments are assessed for impairment and where the indicator exists, are compared at each balance sheet date based upon future discounted cash flows of the businesses. Provisions are made where the carrying value does not appear to be supported. Key assumptions used within the future discounted cash flow model are the discount factor and the growth rate. At the year end the carrying value of fixed asset investments, net of any provisions, amounted to £115,102,000 (see note 8). At the year end there are no provisions against the carrying value of fixed asset investments.

In the opinion of the directors, there have been no significant accounting estimates made.

15 Controlling Party

At the year end, the ultimate controlling party is Imperial Logistics Limited, a Company based in South Africa and listed on the stock exchange. This is the only entity to prepare group financial statements that include the Company.

The immediate parent undertaking is Imperial Mobility UK Limited.

The Group financial statements of the ultimate controlling party, Imperial Logistics Limited, are available from:

Imperial Place
Jeppe Quondam
79 Boeing Road East
Bedfordview
2007 South Africa

16 Events after the balance sheet date

On 15 February 2019, all of the £50.2m loans payable by subsidiary undertakings (see note 9) have been refinanced and are now due for repayment in full on 30 June 2020.