REGISTERED NUMBER: 07877664 (England and Wales)

Group Strategic Report, Directors' Report and

Consolidated Financial Statements

for the Year Ended 31 December 2017

for

DNA (Holdings) Limited

Contents of the Consolidated Financial Statements for the Year Ended 31 December 2017

Company Information
for the Year Ended 31 December 2017

DIRECTORS:	Mrs N R Ascott P N Ascott S J Ascott
REGISTERED OFFICE:	Hangar House Woodyard Lane Foston Derbyshire DE65 5DJ
REGISTERED NUMBER:	07877664 (England and Wales)
AUDITORS:	Bates Weston Audit Ltd Statutory Auditors Chartered Accountants The Mills Canal Street Derby DE1 2RJ
BANKERS:	Royal Bank of Scotland Drummond House 1 Redheughs Avenue Edinburgh EH12 9JN

Group Strategic Report
for the Year Ended 31 December 2017

The directors present their strategic report of the company and the group for the year ended 31 December 2017.

The group's principal activities continue to be that of provision of logistics and warehousing facilities for the principal trading company, Ascott Transport Limited.

REVIEW OF BUSINESS
The results for the year and financial position are shown in the financial statements. Turnover for the year increased to £20,039k from £19,884k in 2016, with profit before tax decreasing to £933k compared to £1,644k in 2016.

PRINCIPAL RISKS AND UNCERTAINTIES
The group continues to face the challenge of competition and pricing within its sector. However, by increasing the strength and diversification of its customer base and providing bespoke solutions, both global and localised, the group has minimised external detrimental factors

INVESTMENT
Expenditure in 2017 on its staff, fleet and facilities has increased to enable the group to grow and provide the right level of infrastructure, meet the demands and requirements of its trading partners and its expected continued growth.

FUTURE DEVELOPMENTS
The group has over the years created impressive strategic bases at Foston, Derbyshire and Carlisle. In the latter months of 2016, preparations were being made to develop a new £13m, 190,000sqft state-of-the-art high-level warehouse at its ideal, strategically-based Foston headquarters, adjacent to the A50 (the M1/M6 link road), 6 miles north of the A38 intersection.

The development of the new warehouse and additional infrastructure was carried out throughout 2017 and caused some disruption in transferring customers' product. This temporary disruption and the continuing investment in quality staff contributed to a reduction in profitability.

However, the new warehouse is now almost full to its total capacity and provides a healthy springboard for the future growth and prosperity of the business. Moreover, it is hoped that further new development will commence early in 2019. Overall warehousing capacity remains at c. 1 million square feet but volume has increased significantly not only because of the new warehouse but also higher level warehousing elsewhere.

ORGANISATION
The directors continue to monitor the group's organisation and profitability with the intention of constantly improving them wherever possible. This includes ongoing strengthening of the senior management team and staff in all areas and further development and improvement of its processes and communications by way of enhancing its already sophisticated IT capabilities.

Group Strategic Report
for the Year Ended 31 December 2017

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES
The group uses basic financial instruments, comprising bank borrowings, hire purchase leases, invoice discounting and other liquid resources such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to maintain finance for the group's operations.The main risks arising from the group's financial instruments are interest risk and liquidity risk. The directors review and agree policies for managing each of these risks, as summarised below:-

Interest Rate Risk

The group finances its operations through a mixture of retained profits, intercompany accounts, bank borrowing and hire purchase leases. The group's exposure to interest rate fluctuations is managed on a group basis.

Liquidity Risk

The group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Primarily this is achieved through bank borrowings and retained profits. The group policy throughout the year has been to ensure continuity of funding and short term flexibility has been achieved through invoice discounting and overdraft facilities.

ON BEHALF OF THE BOARD:

MAscott
....
S J Ascott - Director

Date: 4 September 2018

Directors' Report
for the Year Ended 31 December 2017

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2017.

DIVIDENDS
The total distribution of dividends for the year ended 31 December 2017 will be £75,020.

DIRECTORS
The directors shown below have held office during the whole of the period from 1 January 2017 to the date of this report.

Mrs N R Ascott
P N Ascott
S J Ascott

DISCLOSURE IN THE STRATEGIC REPORT
The matters required to be disclosed under SI (2008) 410 Sch 7 relating to future developments and financial instruments are contained within the Strategic report as is applicable in accordance with s414C(11) of the Companies Act 2006.

DIRECTORS' RESPONSIBILITIES STATEMENT
The directors are responsible for preparing the Group 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

ON BEHALF OF THE BOARD:

....
S J Ascott - Director

Date: 4 September 2018

Report of the Independent Auditors to the Members of DNA (Holdings) Limited

Opinion
We have audited the financial statements of DNA (Holdings) Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2017 which comprise the Consolidated Profit and Loss Account, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated 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 of the parent company affairs as at 31 December 2017 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

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 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 in the Group Strategic Report and the Directors' Report, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:
- the information given in the Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of DNA (Holdings) Limited

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors
As explained more fully in the Directors' Responsibilities Statement set out on page four, 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 necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors 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 Report of the Auditors.

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 a Report of the Auditors 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.

Wayne Thomas ACA (Senior Statutory Auditor)
for and on behalf of Bates Weston Audit Ltd
Statutory Auditors
Chartered Accountants
The Mills
Canal Street
Derby
DE1 2RJ

Date: 06 SEP 2018

Consolidated Profit and Loss Account for the Year Ended 31 December 2017

	Notes	2017 £	2016 £
TURNOVER		20,039,463	19,884,241
Cost of sales		10,169,184	9,745,196
GROSS PROFIT		9,870,279	10,139,045
Administrative expenses		8,473,509	8,085,166
OPERATING PROFIT	4	1,396,770	2,053,879
Interest receivable and similar income		-	14
		1,396,770	2,053,893
Interest payable and similar expenses	5	451,871	409,958
PROFIT BEFORE TAXATION		944,899	1,643,935
Tax on profit	6	160,406	330,358
PROFIT FOR THE FINANCIAL YEAR		784,493	1,313,577
Profit attributable to:			
Owners of the parent		784,493	1,313,577

The notes on pages 14 to 27 form part of these financial statements

Consolidated Other Comprehensive Income for the Year Ended 31 December 2017

	Notes	2017 £	2016 £
PROFIT FOR THE YEAR		784,493	1,313,577
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		784,493	1,313,577
Total comprehensive income attributable to:			
Owners of the parent		784,493	1,313,577

The notes on pages 14 to 27 form part of these financial statements

Consolidated Balance Sheet
31 December 2017

	Notes	2017 £	2017 £	2016 £	2016 £
FIXED ASSETS					
Tangible assets	9		19,140,027		12,275,473
Investments	10		30,860		30,860
			19,170,887		12,306,333
CURRENT ASSETS					
Stocks	11	103,188		49,545	
Debtors	12	5,038,059		4,240,363	
Cash at bank and in hand		154,099		285,269	
		5,295,346		4,575,177	
CREDITORS					
Amounts falling due within one year	13	8,123,561		5,976,908	
NET CURRENT LIABILITIES			(2,828,215)		(1,401,731)
TOTAL ASSETS LESS CURRENT LIABILITIES			16,342,672		10,904,602
CREDITORS					
Amounts falling due after more than one year	14		(9,365,904)		(4,556,078)
PROVISIONS FOR LIABILITIES	18		(242,407)		(323,636)
NET ASSETS			6,734,361		6,024,888
CAPITAL AND RESERVES					
Called up share capital	19		990		990
Revaluation reserve	20		903,607		903,607
Merger reserve	20		736,846		736,846
Capital reserve	20		965,136		965,136
Retained earnings	20		4,127,782		3,418,309
SHAREHOLDER FUNDS			6,734,361		6,024,888

The financial statements were approved by the Board of Directors on 4 September 2018 and were signed on its behalf by:

....

S J Ascott - Director

The notes on pages 14 to 27 form part of these financial statements

Company Balance Sheet
31 December 2017

	Notes	2017 £	2016 £
FIXED ASSETS			
Tangible assets	9	-	-
Investments	10	990	990
		990	990
TOTAL ASSETS LESS CURRENT LIABILITIES		990	990
CAPITAL AND RESERVES			
Called up share capital	19	990	990
SHAREHOLDERS' FUNDS		990	990
Company's profit for the financial year		75,020	224,880

The financial statements were approved by the Board of Directors on 4 September 2018 and were signed on its behalf by:

....

S J Ascott - Director

The notes on pages 14 to 27 form part of these financial statements

Consolidated Statement of Changes in Equity for the Year Ended 31 December 2017

	Called up share capital £	Retained earnings £	Revaluation reserve £
Balance at 1 January 2016	990	2,329,612	903,607
Changes in equity			
Dividends	-	(224,880)	-
Total comprehensive income	-	1,313,577	-
Balance at 31 December 2016	990	3,418,309	903,607
Changes in equity			
Dividends	-	(75,020)	-
Total comprehensive income	-	784,493	-
Balance at 31 December 2017	990	4,127,782	903,607

	Merger reserve £	Capital reserve £	Total equity £
Balance at 1 January 2016	736,846	965,136	4,936,191
Changes in equity			
Dividends	-	-	(224,880)
Total comprehensive income	-	-	1,313,577
Balance at 31 December 2016	736,846	965,136	6,024,888
Changes in equity			
Dividends	-	-	(75,020)
Total comprehensive income	-	-	784,493
Balance at 31 December 2017	736,846	965,136	6,734,361

The notes on pages 14 to 27 form part of these financial statements

Company Statement of Changes in Equity for the Year Ended 31 December 2017

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2016	990	-	990
Changes in equity			
Dividends	-	(224,880)	(224,880)
Total comprehensive income	-	224,880	224,880
Balance at 31 December 2016	990	-	990
Changes in equity			
Dividends	-	(75,020)	(75,020)
Total comprehensive income	-	75,020	75,020
Balance at 31 December 2017	990	-	990

The notes on pages 14 to 27 form part of these financial statements

Consolidated Cash Flow Statement
for the Year Ended 31 December 2017

	Notes	2017 £	2016 £
Cash flows from operating activities			
Cash generated from operations	24	2,342,441	2,753,917
Interest paid		(327,559)	(245,843)
Interest element of hire purchase payments paid		(139,067)	(156,160)
Tax paid		(180,930)	(194,538)
Net cash from operating activities		1,694,885	2,157,376
Cash flows from investing activities			
Purchase of tangible fixed assets		(8,076,844)	(871,100)
Sale of tangible fixed assets		83,647	110,739
Interest received		-	14
Net cash from investing activities		(7,993,197)	(760,347)
Cash flows from financing activities			
Movement on invoice factoring		1,100,104	(390,201)
Loan repayments in year		(318,983)	(273,103)
New loans in year		5,140,072	650,000
Repayments of capital		352,324	(1,151,391)
Amount withdrawn by directors		(61,841)	-
Equity dividends paid		(75,020)	(224,880)
Net cash from financing activities		6,136,656	(1,389,575)
(Decrease)/increase in cash and cash equivalents		(161,656)	7,454
Cash and cash equivalents at beginning of year	25	278,277	270,823
Cash and cash equivalents at end of year	25	116,621	278,277

The notes on pages 14 to 27 form part of these financial statements

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2017

1. STATUTORY INFORMATION

DNA (Holdings) Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements
These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Consolidation
The consolidated accounts incorporate the accounts of DNA (Holdings) Limited and all of its subsidiary undertakings. The acquisition method of accounting has been adopted. Merger relief under section 612 of the Companies Act 2006 applied to the acquisitions of the subsidiaries and no share premium under section 610 or merger reserve was recognised in the company's balance sheet as permitted by section 615.

In the company's financial statements, investments in subsidiary undertakings are stated at cost less amounts written off.

Related party exemption
The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

Turnover
Turnover, represents net invoiced sales and the value of third party rents receivable during the year. Turnover generated from the sales of services is recognised when the company has transferred the significant risk and rewards of ownership to the buyer and it is probable that the company will receive the previously agreed upon payment. These criteria are considered to be met when the service has been completed by the company. Third party rents receivable are accounted for in accordance with the lease terms and intercompany rents on the agreed charge for the year as formal lease terms are not in place.

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2. **ACCOUNTING POLICIES - continued**

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

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under finance lease, over the lease term, whichever is the shorter.

Assets in the course of construction	- not depreciated
Trailers	- 10% on reducing balance
Fixtures, fittings and equipment	- 15% on reducing balance and 10% on cost
Motor vehicles	- 20% on reducing balance
Computer equipment	- Straight line over 3 years

Freehold property is not depreciated but is revalued annually at its fair value. Any aggregate surplus or deficit arising from changes in fair value is transferred to a revaluation reserve.

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the profit and loss account.

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

Cost represents the purchase invoice value of materials on a first in first out basis. Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

Deferred tax
Deferred tax arises from timing differences that are differences between taxable total profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Provision is made at current rates for taxation deferred in respect of all material timing differences.

Hire purchase and leasing commitments
Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account on an effective interest rate method. The capital element of the future payments is treated as the liability.

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Where applicable, rentals received under operating leases are charged to the profit and loss account as incurred.

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2. **ACCOUNTING POLICIES - continued**

Pension costs and other post-retirement benefits
The group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the group has no further payments obligations. The contributions are recognised as an expense when they fall due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the group in independently administered funds.

Debt factoring
The gross equivalent of debts factored is included within trade debtors with the corresponding amount relating to the proceeds received from the factor included within creditors. The interest element and other factor's charges are recognised within the profit and loss account as they accrue.

Fixed asset investments
Fixed asset investments are valued at fair value at the balance sheet date.

Grants
Revenue grants are recognised in the profit and loss account so as to match them with the expenditure towards which they are intended to contribute. Capital grants are recognised systematically in the profit and loss account over the useful economic life of the asset to which the grant relates.

Judgements in applying accounting policies and key sources of estimation uncertainty
Tangible fixed assets are depreciated over their useful economic lives taking in to account their residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing the asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken in to account. Residual values consider such things as future market conditions, the remaining life of the asset and projected disposal values. Freehold property is revalued annually on an existing use basis and the director's consider the valuation to apply at the balance sheet date. Fixed asset investments are valued at fair value based on net worth of the investment.

3. **EMPLOYEES AND DIRECTORS**

	2017	2016
	£	£
Wages and salaries	5,154,815	5,025,543
Social security costs	470,421	455,264
Other pension costs	55,244	142,753
	5,680,480	5,623,560

The average number of employees during the year was as follows:

	2017	2016
Directors	3	3
Operative staff	148	147
Administrative staff	57	54
	208	204

The average number of employees by undertakings that were proportionately consolidated during the year was 3 (2016 - 3).

	2017	2016
	£	£
Directors' remuneration	179,635	80,440
Directors' pension contributions to money purchase schemes	1,249	70,000

continued...

3. EMPLOYEES AND DIRECTORS - continued

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	2	2

4. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2017 £	2016 £
Depreciation - owned assets	211,573	163,372
Depreciation - assets on hire purchase contracts	941,198	862,561
Profit on disposal of fixed assets	(24,128)	(30,806)
Auditors' remuneration	13,400	15,500
Auditors' remuneration for non audit work	21,838	13,320
Foreign exchange differences	443	5,742
Operating leases paid	3,014,544	2,835,263
Income from operating leases	(74,454)	(52,200)

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	2017 £	2016 £
Bank loan interest	169,349	128,400
Invoice discounting charges	143,455	125,398
Hire purchase	139,067	156,160
	451,871	409,958

6. TAXATION

Analysis of the tax charge
The tax charge on the profit for the year was as follows:

	2017 £	2016 £
Current tax:		
UK corporation tax	217,135	387,452
Adjustment re prior period	24,500	(3,199)
Total current tax	241,635	384,253
Deferred tax	(81,229)	(53,895)
Tax on profit	160,406	330,358

continued...

6. **TAXATION - continued**

Reconciliation of total tax charge included in profit and loss
The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2017	2016
	£	£
Profit before tax	944,899	1,643,935
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2016 - 20%)	179,531	328,787
Effects of:		
Expenses not deductible for tax purposes	2,245	4,640
Other permanent differences	(24,152)	130
Adjustments to tax charge in respect of previous periods	-	(3,199)
Change in tax rates	2,782	-
Total tax charge	160,406	330,358

7. **INDIVIDUAL PROFIT AND LOSS ACCOUNT**

As permitted by section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements.

8. **DIVIDENDS**

	2017	2016
	£	£
Ordinary B shares of £1 each		
Interim	75,020	224,880

continued...

9. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Leasehold property £	Assets in the course of construction £	Trailers £
COST OR VALUATION				
At 1 January 2017	7,511,818	272,253	448,270	2,022,215
Additions	8,631	6,239,678	-	727,650
Disposals	-	-	-	(20,646)
At 31 December 2017	7,520,449	6,511,931	448,270	2,729,219
DEPRECIATION				
At 1 January 2017	-	-	-	486,104
Charge for year	-	-	-	225,370
Eliminated on disposal	-	-	-	(2,066)
At 31 December 2017	-	-	-	709,408
NET BOOK VALUE				
At 31 December 2017	7,520,449	6,511,931	448,270	2,019,811
At 31 December 2016	7,511,818	272,253	448,270	1,536,111

	Fixtures, fittings and equipment £	Motor vehicles £	Computer equipment £	Totals £
COST OR VALUATION				
At 1 January 2017	857,808	3,683,864	246,161	15,042,389
Additions	346,084	661,071	93,730	8,076,844
Disposals	-	(148,922)	-	(169,568)
At 31 December 2017	1,203,892	4,196,013	339,891	22,949,665
DEPRECIATION				
At 1 January 2017	373,693	1,741,065	166,054	2,766,916
Charge for year	94,756	760,494	72,151	1,152,771
Eliminated on disposal	-	(107,983)	-	(110,049)
At 31 December 2017	468,449	2,393,576	238,205	3,809,638
NET BOOK VALUE				
At 31 December 2017	735,443	1,802,437	101,686	19,140,027
At 31 December 2016	484,115	1,942,799	80,107	12,275,473

continued...

9. TANGIBLE FIXED ASSETS - continued

Group

Cost or valuation at 31 December 2017 is represented by:

	Freehold property £	Leasehold property £	Assets in the course of construction £	Trailers £
Valuation in 2016	7,520,449	-	-	-
Cost	-	6,511,931	448,270	2,729,219
	7,520,449	6,511,931	448,270	2,729,219

	Fixtures, fittings and equipment £	Motor vehicles £	Computer equipment £	Totals £
Valuation in 2016	-	-	-	7,520,449
Cost	1,203,892	4,196,013	339,891	15,429,216
	1,203,892	4,196,013	339,891	22,949,665

If freehold property had not been revalued it would have been included at the following historical cost:

	2017 £	2016 £
Cost	6,572,545	6,563,914
Aggregate depreciation	707,444	610,423

Freehold property was valued on existing use basis on 1 April 2015 by GVA Grimley Ltd, RICS Registered Valuers.

The directors consider the valuation to apply at the balance sheet date.

The freehold property includes land valued at £794,000 (2016 - £794,000) which is not depreciated.

The net book value of tangible fixed assets includes £3,829,098 (2016 - £3,371,195) in respect of assets held under hire purchase contracts.

continued...

10. **FIXED ASSET INVESTMENTS**

Group

	Unlisted investments £
COST	
At 1 January 2017 and 31 December 2017	30,860
NET BOOK VALUE	
At 31 December 2017	30,860
At 31 December 2016	30,860

Company

	Unlisted investments £
COST	
At 1 January 2017 and 31 December 2017	990
NET BOOK VALUE	
At 31 December 2017	990
At 31 December 2016	990

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries

Ascott Transport Limited
Registered office: Hangar House, Woodyard Lane, Foston Derbyshire, DE65 5DJ
Nature of business: Warehousing and distribution

Class of shares:	% holding
Ordinary	100.00

Foston Park Limited
Registered office: Hangar House, Woodyard Lane, Foston Derbyshire, DE65 5DJ
Nature of business: Rental of warehouse space

Class of shares:	% holding
Ordinary	100.00

WheelTech UK Limited
Registered office: Hangar House, Woodyard Lane, Foston Derbyshire, DE65 5DJ
Nature of business: Dormant

Class of shares:	% holding
Ordinary	100.00

continued...

10. **FIXED ASSET INVESTMENTS - continued**

Workhorse Commercials Limited
Registered office: Hangar House, Woodyard Lane, Foston Derbyshire, DE65 5DJ
Nature of business: Dormant

Class of shares:	% holding
Ordinary	100.00

The directors consider the cost of the unlisted investments as stated in the accounts to be its fair value at the balance sheet date.

11. **STOCKS**

	Group	
	2017	2016
	£	£
Stock of fuel and spares	103,188	49,545

12. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group	
	2017	2016
	£	£
Trade debtors	3,930,149	3,561,434
Other debtors	299,748	1,152
Prepayments	808,162	677,777
	5,038,059	4,240,363

13. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group	
	2017	2016
	£	£
Bank loans and overdrafts (see note 15)	526,187	325,975
Other loans (see note 15)	2,160,180	1,060,076
Hire purchase contracts (see note 16)	1,296,833	1,102,972
Trade creditors	2,101,303	1,106,186
Pension fund loan account	20,000	20,000
Taxation	448,157	387,452
Social security and other taxes	606,544	819,466
Other creditors	346,286	318,267
Accrued charges	618,069	774,671
Directors' current accounts	2	61,843
	8,123,561	5,976,908

continued...

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group	
	2017	2016
	£	£
Bank loans (see note 15)	7,329,405	2,678,042
Hire purchase contracts (see note 16)	2,036,499	1,878,036
	9,365,904	4,556,078

15. LOANS

An analysis of the maturity of loans is given below:

	Group	
	2017	2016
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	37,478	6,992
Bank loans	488,709	318,983
Amounts advanced under invoice factoring	2,160,180	1,060,076
	2,686,367	1,386,051
Amounts falling due between one and two years:		
Bank loans	756,534	526,610
Amounts falling due between two and five years:		
Bank loans	2,236,219	1,725,886
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans	4,336,652	425,546

The existing bank loans in the subsidiaries expire in October 2024. Interest is set at 2.4% above LIBOR.

A new loan was drawn down in the year by one of the subsidiaries. This loan has a capital repayment holiday period until December 2017; the loan is interest only until this date. Interest is set at 2.75% above LIBOR.

continued...

16. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Hire purchase contracts	
	2017	2016
	£	£
Net obligations repayable:		
Within one year	1,296,833	1,102,972
Between one and five years	2,036,499	1,878,036
	3,333,332	2,981,008

Group

	Non-cancellable operating leases	
	2017	2016
	£	£
Within one year	1,243,396	793,756
Between one and five years	605,151	46,890
	1,848,547	840,646

The following operating lease income is committed to be received:

	Non-cancellable operating leases	
	2017	2016
	£	£
Within one year	74,454	74,454
Between one and five years	188,635	264,089
	264,089	339,543

continued...

17. SECURED DEBTS

The following secured debts are included within creditors:

	Group 2017 £	Group 2016 £
Bank overdrafts	37,478	6,992
Bank loans	7,818,114	2,997,025
Hire purchase contracts	3,333,332	2,981,008
	11,188,924	5,985,025

The bank loans and overdraft are secured by way of a first legal debenture on the freehold properties owned within the group.

The amounts advanced under invoice factoring are secured by way of legal mortgage on all freehold and leasehold property owned by the group and a floating charge over all assets owned by the group.

Hire purchase balances are secured against the assets to which the agreement relates.

During the year, the financial and property covenants in respect of the bank loans were breached. The bank have been fully supportive in financing the new-build throughout. In May 2018 additional funding was granted and the covenants were reduced and revised. Whilst the new covenant was not met at the June 2018 quarter end, the Directors are confident it will be met in the future as the expected revenue comes onstream.

18. PROVISIONS FOR LIABILITIES

	Group 2017 £	Group 2016 £
Deferred tax		
Accelerated capital allowances	242,407	323,636

Group

	Deferred tax £
Balance at 1 January 2017	323,636
Utilised during year	(81,229)
Transfer to profit and loss	
Balance at 31 December 2017	242,407

19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2017 £	2016 £
280	Ordinary A	£1	280	280
710	Ordinary B	£1	710	710
			990	990

continued...

20. RESERVES

Group

	Retained earnings £	Revaluation reserve £	Merger reserve £	Capital reserve £	Totals £
At 1 January 2017	3,418,309	903,607	736,846	965,136	6,023,898
Profit for the year	784,493	-	-	-	784,493
Dividends	(75,020)	-	-	-	(75,020)
At 31 December 2017	4,127,782	903,607	736,846	965,136	6,733,371

Company

	Retained earnings £
Profit for the year	75,020
Dividends	(75,020)
At 31 December 2017	-

21. OTHER FINANCIAL COMMITMENTS

The parent company has a contingent liability in respect of a composite guarantee given to The Royal Bank of Scotland Plc to secure borrowings within the DNA (Holdings) Limited group of companies. At the balance sheet date the net amount of the group liability was £nil (2016 - £nil).

22. RELATED PARTY DISCLOSURES

Part of the premises occupied by the subsidiaries are owned by a subsidiary's pension scheme. During the period, rent was charged of £106,500 (2016 - £106,500).

At 31 December 2017, the group owed £20,000 to the pension scheme (2016 - £20,000).

23. EMPLOYEE BENEFITS

Included in the notes to the financial statements are payments to a defined contribution pension scheme.

continued...

24. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2017	2016
	£	£
Profit before taxation	944,899	1,643,935
Depreciation charges	1,152,771	1,025,933
Profit on disposal of fixed assets	(24,128)	(30,806)
Finance costs	451,871	409,958
Finance income	-	(14)
	2,525,413	3,049,006
Increase in stocks	(53,643)	(27,942)
Increase in trade and other debtors	(797,696)	(361,689)
Increase in trade and other creditors	668,367	94,542
Cash generated from operations	2,342,441	2,753,917

25. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 December 2017

	31.12.17	1.1.17
	£	£
Cash and cash equivalents	154,099	285,269
Bank overdrafts	(37,478)	(6,992)
	116,621	278,277

Year ended 31 December 2016

	31.12.16	1.1.16
	£	£
Cash and cash equivalents	285,269	270,823
Bank overdrafts	(6,992)	-
	278,277	270,823