

Company Registration No. 10690791 (England and Wales)

DOREE BONNER HOLDINGS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 NOVEMBER 2017

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DOREE BONNER HOLDINGS LIMITED

COMPANY INFORMATION

Directors	Mr G Watson	(Appointed 30 June 2017)
	Mr G Lyall	(Appointed 30 June 2017)
	Mr W Rawkins	(Appointed 27 March 2017)
	Apadana Management Limited	(Appointed 30 June 2017)
Company number	10690791	
Registered office	c/o A2e Industries Limited No 1 Marsden Street Manchester M2 1HW	
Auditor	Beavis Morgan Audit Limited 82 St John Street London EC1M 4JN	

DOREE BONNER HOLDINGS LIMITED

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DOREE BONNER HOLDINGS LIMITED

STRATEGIC REPORT

FOR THE PERIOD ENDED 30 NOVEMBER 2017

The directors present their strategic report for the period ended 30 November 2017.

On 30 June 2017, the Company acquired the entire issued share capital of Kelerbay Limited ("Kelerbay"), a well respected and profitable removals and storage company with head offices in Dartford, Kent and operations nationally across the UK. Doree Bonner is strategically and financially supported by a2e industries Limited, which manages 17 other industrial concerns, with aggregate sales exceeding £150M.

Despite a challenging trading segment, the group has delivered results for the year to 30 November 2017 of revenues of £6.7m, generating operating profits of £0.4m, and exceeding the prior year's performance and management expectations.

As part of the transaction a new banking package for the group was raised from Close Brothers Banking Group, in order to provide acquisition finance to the subsidiary and continued working capital facilities for the group.

The group continues to have a high ratio cash conversion from its trading profits, and the Directors are satisfied that the continued cash generation is sufficient to exceed the Close Debt Service requirements. The Directors continue to manage the debt facilities accordingly to allow the group to operate without restriction and respond to market fluctuations.

Since the date of the balance sheet, 30 November 2017, market conditions have been extremely challenging with a reduction in revenues principally in the international and disaster recovery sectors during the first quarter of the year ended 30 November 2018. Nevertheless, the Directors have reacted to the market conditions and the Company is on track to deliver another year of revenue growth and profits.

Fair review of the business

Although trading conditions in all sectors of the group's marketplace, and the economic climate, have continued to be challenging, the directors are pleased to report that the group achieved a pre-tax profit of £131,523. Cash inflows of £1,764,224 have been generated from the year's operating activities.

The directors remain confident that the measures taken will ensure that the group is well placed to take advantage of any upturn in demand for the services provided by the group as the market emerges from recession.

Given the nature of the business, the directors are of the opinion that using KPI's, other than those which emerge from the financial statements and those discussed in the business review above, are not necessary for an understanding of the development of the business.

DOREE BONNER HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 30 NOVEMBER 2017

Principal risks and uncertainties

Its primary commercial risk is in generating and continuing to generate turnover which it does through maintaining its reputation in the market place for good and comprehensive removal and storage services. It also has an extremely diverse customer base in terms of the markets it operates in and the geographic spread of its branches assists this process.

Financial risk treasury operations

The group operates a treasury function which is responsible for managing the liquidity, interest and foreign currency risks associated with the company's activities.

In addition to cash and borrowings held with the group's bankers, the group has other financial assets and liabilities such as trade debtors and trade creditors arising directly from operations.

Liquidity risk

The group manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring that the group has sufficient liquid resources to meet the operating needs of the business.

Interest rate risk

The group limits its exposure to interest rate risk on its fixed rate borrowings by ensuring that they are taken out at the most competitive rates available and by keeping borrowings to the minimum conducive to the profitable growth of the business.

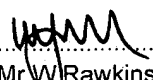
Foreign currency risk

The group's principal foreign currency exposure arises from trading with overseas companies. This is limited by the regular settlement of balances with overseas trading partners.

Credit risk

Investment of cash surpluses are made through banks which must fulfil credit rating criteria approved by the Board.

On behalf of the board


.....
Mr W Rawkins
Director
30/10/2018

DOREE BONNER HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 30 NOVEMBER 2017

The directors present their annual report and financial statements for the period ended 30 November 2017.

Principal activities

The principal activity of the company and group continued to be that of the provision of removals and storage services.

Directors

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

Mr G Watson	(Appointed 30 June 2017)
Mr G Lyall	(Appointed 30 June 2017)
Mr W Rawkins	(Appointed 27 March 2017)
Apadana Management Limited	(Appointed 30 June 2017)

Results and dividends

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

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

No preference dividends were paid. The directors do not recommend payment of a final dividend.

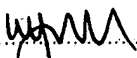
Auditor

Beavis Morgan Audit Ltd were appointed as auditor to the group and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

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 W Rawkins
Director
Date: 30/10/2018

DOREE BONNER HOLDINGS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE PERIOD ENDED 30 NOVEMBER 2017

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.

DOREE BONNER HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF DOREE BONNER HOLDINGS LIMITED

Opinion

We have audited the financial statements of Doree Bonner Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the period ended 30 November 2017 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows 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 FRS 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 30 November 2017 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 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 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.

DOREE BONNER HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF DOREE BONNER HOLDINGS LIMITED

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our 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 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 strategic report and 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, 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

DOREE BONNER HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF DOREE BONNER HOLDINGS LIMITED

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.



Simon Hammerton (Senior Statutory Auditor)
for and on behalf of Beavis Morgan Audit Limited

31 October 2018

Chartered Accountants
Statutory Auditor

82 St John Street
London
EC1M 4JN

DOREE BONNER HOLDINGS LIMITED

GROUP PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 30 NOVEMBER 2017

	Notes	Period ended 30 November 2017 £
Turnover	3	6,666,714
Cost of sales		(4,359,764)
Gross profit		2,306,950
Administrative expenses		(1,890,704)
Operating profit	4	416,246
Interest payable and similar expenses	7	(284,723)
Profit before taxation		131,523
Tax on profit	8	(43,692)
Profit for the financial period		87,831

Profit for the financial period is all attributable to the owners of the parent company.

DOREE BONNER HOLDINGS LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 30 NOVEMBER 2017

	Period ended 30 November 2017 £
Profit for the period	87,831
Other comprehensive income	-
Total comprehensive income for the period	<u>87,831</u>

Total comprehensive income for the period is all attributable to the owners of the parent company.

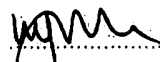
DOREE BONNER HOLDINGS LIMITED

GROUP BALANCE SHEET

AS AT 30 NOVEMBER 2017

	Notes	2017 £	£
Fixed assets			
Goodwill	9		3,929,282
Tangible assets	10		1,672,560
Investments	11		4,480
			<u>5,606,322</u>
Current assets			
Stocks	15	37,314	
Debtors	16	2,849,431	
Cash at bank and in hand		95,086	
		<u>2,981,831</u>	
Creditors: amounts falling due within one year	17	<u>(5,617,540)</u>	
Net current liabilities			<u>(2,635,709)</u>
Total assets less current liabilities			<u>2,970,613</u>
Creditors: amounts falling due after more than one year	18		<u>(2,395,362)</u>
Provisions for liabilities	21		<u>(162,420)</u>
Net assets			<u><u>412,831</u></u>
Capital and reserves			
Called up share capital	23		325,000
Profit and loss reserves			87,831
Total equity			<u><u>412,831</u></u>

The financial statements were approved by the board of directors and authorised for issue on 30/10/2018 and are signed on its behalf by:


 Mr W Rawkins
 Director

DOREE BONNER HOLDINGS LIMITED

COMPANY BALANCE SHEET

AS AT 30 NOVEMBER 2017

	Notes	2017 £	£
Fixed assets			
Investments	11		7,245,469
Current assets			
Debtors	16	87,902	
Creditors: amounts falling due within one year	17	(5,846,611)	
Net current liabilities			(5,758,709)
Total assets less current liabilities			1,486,760
Creditors: amounts falling due after more than one year	18		(1,212,520)
Net assets			274,240
Capital and reserves			
Called up share capital	23		325,000
Profit and loss reserves			(50,760)
Total equity			274,240

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 period was £50,760.

The financial statements were approved by the board of directors and authorised for issue on 30/10/2018 and are signed on its behalf by:


Mr W Rawkins
Director

Company Registration No. 10690791

DOREE BONNER HOLDINGS LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 NOVEMBER 2017

	Notes	Share capital £	Profit and loss reserves £	Total £
Period ended 30 November 2017:				
Profit and total comprehensive income for the period		-	87,831	87,831
Issue of share capital	23	325,000	-	325,000
Balance at 30 November 2017		<u>325,000</u>	<u>87,831</u>	<u>412,831</u>

DOREE BONNER HOLDINGS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 NOVEMBER 2017

	Notes	Share capital £	Profit and loss reserves £	Total £
Period ended 30 November 2017:				
Loss and total comprehensive income for the period		-	(50,760)	(50,760)
Issue of share capital	23	325,000	-	325,000
Balance at 30 November 2017		<u>325,000</u>	<u>(50,760)</u>	<u>274,240</u>

DOREE BONNER HOLDINGS LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 30 NOVEMBER 2017

	Notes	2017 £	£
Cash flows from operating activities			
Cash generated from/(absorbed by) operations	27	1,764,224	
Interest paid		(217,963)	
Income taxes paid		(141,713)	
Net cash inflow/(outflow) from operating activities			1,404,548
Investing activities			
Purchase of business		(4,575,000)	
Purchase of tangible fixed assets		(344,626)	
Proceeds on disposal of tangible fixed assets		3,103	
Interest received		1,481	
Net cash used in investing activities			(4,915,042)
Financing activities			
Proceeds from issue of shares		95,000	
Issue of preference shares		230,000	
Proceeds from borrowings		440,314	
Deferred consideration on acquisition		1,950,000	
Increase in finance lease obligations		1,108,136	
Payment of finance lease obligations		(217,870)	
Net cash generated from/(used in) financing activities			3,605,580
Net increase in cash and cash equivalents			95,086
Cash and cash equivalents at beginning of period			-
Cash and cash equivalents at end of period			95,086

DOREE BONNER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 NOVEMBER 2017

1 Accounting policies

Company information

Doree Bonner Holdings Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is c/o A2c Industries Limited, NO 1 Marsden Street, Manchester, M2 1HW.

The group consists of Doree Bonner 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. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments';
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

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. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries are accounted for at cost less impairment.

DOREE BONNER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 NOVEMBER 2017

1 Accounting policies

(Continued)

The consolidated financial statements incorporate those of Doree Bonner Holdings Limited and all of its subsidiaries (ie 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 30 November 2017. 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.

Kelerbay Limited has been included in the group financial statements using the purchase method of accounting. Accordingly, the group profit and loss account and statement of cash flows include the results and cash flows of Kelerbay Limited for the 5 month period from its acquisition on 30 June 2017. The purchase consideration has been allocated to the assets and liabilities on the basis of fair value at the date of acquisition.

1.3 Going concern

The financial statements are prepared using the going concern basis of accounting. The Group (the Company and its Subsidiaries together) is profitable, generates cash from its operations and projects to do so in the foreseeable future. The Group has entered into arrangements with the providers of finance for the discounting of invoices and other finance.

The Group also enjoys the continuing financial support of its shareholders and loan note holders, whose support the Board of the Group believes will continue. The Group has prepared and reviewed its financial projections and the finance facilities available to the Group and have concluded that it is appropriate to apply the going concern basis of accounting.

1.4 Turnover

Turnover represents amounts receivable for removal services net of VAT. Turnover is recognised on the date that the removal service commences. If the job straddles the year end, the revenue is allocated to the appropriate period on a pro rata basis.

For overseas removals, revenue is recognised when a job is fully wrapped, packed and collected for dispatch. Should the collection of the job straddle the year end, the relevant proportion of the revenue relating to the services is accrued.

Storage revenue is recognised in the period in which the service is provided.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

DOREE BONNER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 NOVEMBER 2017

1 Accounting policies

(Continued)

1.5 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.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses. Tangible fixed assets that belong to the subsidiary company at the date of acquisition are included at their fair value 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:

Leasehold land and buildings	Over the period of the lease
Plant and equipment	10 to 25% reducing balance and straight line
Fixtures and fittings	10 to 25% reducing balance and straight line
Motor vehicles	25% reducing balance

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.

1.7 Fixed asset investments

In the parent company financial statements, investments in subsidiaries 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.

1.8 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.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

DOREE BONNER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 NOVEMBER 2017

1 Accounting policies

(Continued)

1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

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.

1.10 Cash at bank and in hand

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.

1.11 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' 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 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.

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.

DOREE BONNER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 NOVEMBER 2017

1 Accounting policies

(Continued)

Basic financial liabilities, including creditors, bank loans and loans from fellow group companies 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.

1.12 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.

1.13 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.

1.14 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

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.

1.15 Retirement benefits

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

DOREE BONNER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 NOVEMBER 2017

1 Accounting policies

(Continued)

1.16 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.

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.

1.17 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

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. These would be in respect of assets lives particularly intangibles, bad debt provision and depreciation.

DOREE BONNER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 NOVEMBER 2017

3 Turnover and other revenue

	2017 £
Turnover analysed by class of business	
Sales	6,666,714

	2017 £
Turnover analysed by geographical market	
United Kingdom	6,202,401
EU	8,824
Rest of World	455,489
	6,666,714

4 Operating profit

	2017 £
Operating profit for the period is stated after charging:	
Exchange losses	4,149
Depreciation of owned tangible fixed assets	15,868
Depreciation of tangible fixed assets held under finance leases	127,415
Loss on disposal of tangible fixed assets	4,568
Amortisation of intangible assets	170,838
Cost of stocks recognised as an expense	17,896
Operating lease charges	445,158

Exchange differences recognised in profit or loss during the period, except for those arising on financial instruments measured at fair value through profit or loss, amounted to £4,149.

5 Auditor's remuneration

	2017 £
Fees payable to the company's auditor and associates:	
For audit services	
Audit of the financial statements of the group and company	23,500
Audit of the financial statements of the company's subsidiaries	6,500
	30,000

DOREE BONNER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 NOVEMBER 2017

6 Employees

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

	Group 2017 Number	Company 2017 Number
Administration	68	-
Operations	123	-
	<u>191</u>	<u>-</u>

Their aggregate remuneration comprised:

	Group 2017 £	Company 2017 £
Wages and salaries	1,918,199	-
Social security costs	481,051	-
Pension costs	70,096	-
	<u>2,469,346</u>	<u>-</u>

7 Interest payable and similar expenses

	2017 £
Interest on bank overdrafts and loans	103,294
Interest on finance leases and hire purchase contracts	130,669
Other interest	50,760
	<u>284,723</u>

8 Taxation

	2017 £
Current tax	
UK corporation tax on profits for the current period	62,454
	<u>62,454</u>
Deferred tax	
Origination and reversal of timing differences	(18,762)
	<u>(18,762)</u>
Total tax charge for the period	<u>43,692</u>

DOREE BONNER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 NOVEMBER 2017

8 Taxation

(Continued)

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:

	2017 £
Profit before taxation	131,523
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00%	24,989
Tax effect of non-deductible expenses	8,984
Effect of change in corporation tax rate	2,870
Capital allowances	(64,370)
Depreciation	60,667
Amortisation	32,460
Adjustment for charitable donations and non-trade loan relationships	(136)
Deferred tax	(18,762)
Elimination of pre-acquisition trading	(3,010)
Taxation charge for the period	43,692

9 Intangible fixed assets

Group	Goodwill £
Cost	
At 27 March 2017	-
Additions - business combinations	4,100,120
At 30 November 2017	4,100,120
Amortisation and impairment	
At 27 March 2017	-
Amortisation charged for the period	170,838
At 30 November 2017	170,838
Carrying amount	
At 30 November 2017	3,929,282

DOREE BONNER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 NOVEMBER 2017

10 Tangible fixed assets

Group	Leasehold land and buildings	Plant and equipment	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£
Cost					
Additions	-	-	3,166	134,340	137,506
Business combinations	111,255	584,869	48,870	935,869	1,680,863
Disposals	(4,913)	(12,828)	(16,177)	(49,142)	(83,060)
At 30 November 2017	106,342	572,041	35,859	1,021,067	1,735,309
Depreciation and impairment					
Depreciation charged in the period	21,332	15,456	20,550	85,945	143,283
Eliminated in respect of disposals	(3,250)	(13,241)	(15,475)	(48,568)	(80,534)
At 30 November 2017	18,082	2,215	5,075	37,377	62,749
Carrying amount					
At 30 November 2017	88,260	569,826	30,784	983,690	1,672,560

The company had no tangible fixed assets at 30 November 2017.

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

	Group 2017 £	Company 2017 £
Plant and equipment	512,566	-
Motor vehicles	890,139	-
	1,402,705	-
Depreciation charge for the period in respect of leased assets	127,415	-

11 Fixed asset investments

	Notes	Group 2017 £	Company 2017 £
Investments in subsidiaries	12	-	7,245,469
Unlisted investments		4,480	-
		4,480	7,245,469

DOREE BONNER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 NOVEMBER 2017

11 Fixed asset investments

(Continued)

Movements in fixed asset investments Group

Investments
other than
loans
£

Cost or valuation

At 27 March 2017

-

Additions - business combinations

4,480

At 30 November 2017

4,480

Carrying amount

At 30 November 2017

4,480

Movements in fixed asset investments Company

Shares in
group
undertakings
£

Cost or valuation

At 27 March 2017

-

Additions

7,245,469

At 30 November 2017

7,245,469

Carrying amount

At 30 November 2017

7,245,469

12 Subsidiaries

Details of the company's subsidiaries at 30 November 2017 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Kelrby Limited	England and Wales	Removals and storage services	Ordinary	100.00	
Bonnors of Welling	England and Wales	Dormant company	Ordinary	-	100.00
Glasgow Express Removals	Scotland	Dormant company	Ordinary	-	100.00
Express Removers Limited	Scotland	Dormant company	Ordinary		100.00
Express Removals Limited	Scotland	Dormant company	Ordinary		100.00
Pack It In Limited	England and Wales	Dormant company	Ordinary		100.00
Montgomery Removals Ltd	Scotland	Dormant company	Ordinary		100.00

DOREE BONNER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 NOVEMBER 2017

13 Acquisitions

On 30 June 2017 the group acquired 100 percent of the issued capital of Kelerbay Limited.

	Book Value £	Adjustments £	Fair Value £
Property, plant and equipment	1,680,863	-	1,680,863
Investments	43,216	-	43,216
Inventories	61,226	-	61,226
Trade and other receivables	4,555,881	-	4,555,881
Cash and cash equivalents	364,807	-	364,807
Obligations under finance leases	(592,502)	-	(592,502)
Trade and other payables	(1,941,965)	-	(1,941,965)
Tax liabilities	(848,177)	-	(848,177)
Deferred tax	(178,000)	-	(178,000)
Total identifiable net assets	<u>3,145,349</u>	<u>-</u>	<u>3,145,349</u>
Goodwill			<u>4,100,120</u>
Total consideration			<u>7,245,469</u>
The consideration was satisfied by:			£
Cash			4,550,000
Issue of shares			25,000
Deferred consideration			2,200,000
Transaction costs			470,469
			<u>7,245,469</u>
Contribution by the acquired business for the reporting period included in the consolidated statement of comprehensive income since acquisition:			£
Turnover			6,666,714
Profit after tax			<u>309,429</u>

DOREE BONNER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 NOVEMBER 2017

14 Financial instruments

	Group 2017 £	Company 2017 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	1,953,160	-
Equity instruments measured at cost less impairment	4,480	7,245,469
	<u> </u>	<u> </u>
Carrying amount of financial liabilities		
Measured at amortised cost	7,363,299	-
	<u> </u>	<u> </u>

As permitted by the reduced disclosure framework within FRS 102, the company has taken advantage of the exemption from disclosing the carrying amount of certain classes of financial instruments, denoted by '-' above.

15 Stocks

	Group 2017 £	Company 2017 £
Raw materials and consumables	37,314	-
	<u> </u>	<u> </u>

16 Debtors

	Group 2017 £	Company 2017 £
Amounts falling due within one year:		
Trade debtors	1,920,641	-
Other debtors	120,421	87,902
Prepayments and accrued income	808,369	-
	<u> </u>	<u> </u>
	2,849,431	87,902
	<u> </u>	<u> </u>

DOREE BONNER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 NOVEMBER 2017

17 Creditors: amounts falling due within one year

	Notes	Group 2017 £	Company 2017 £
Bank loans and overdrafts	19	235,352	-
Obligations under finance leases	20	540,568	-
Other borrowings	19	737,480	737,480
Trade creditors		815,465	-
Amounts due to group undertakings		-	5,031,270
Amounts due to related parties		61,467	61,467
Corporation tax payable		159,454	-
Other taxation and social security		490,149	-
Other creditors		1,236,363	-
Accruals and deferred income		1,341,242	16,394
		<u>5,617,540</u>	<u>5,846,611</u>

18 Creditors: amounts falling due after more than one year

	Notes	Group 2017 £	Company 2017 £
Bank loans and overdrafts	19	204,962	-
Obligations under finance leases	20	977,880	-
Other borrowings	19	1,212,520	1,212,520
		<u>2,395,362</u>	<u>1,212,520</u>

The company's bank has a charge on cash deposits up to a limit of £56,000.

A fixed and floating charge over all property and undertakings of the subsidiary is held by Close Brothers Limited, for the provision of the loan facility.

19 Loans and overdrafts

	Group 2017 £	Company 2017 £
Bank loans	440,314	-
Other loans	1,950,000	1,950,000
	<u>2,390,314</u>	<u>1,950,000</u>
Payable within one year	972,832	737,480
Payable after one year	1,417,482	1,212,520

DOREE BONNER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 NOVEMBER 2017

20 Finance lease obligations

	Group 2017 £	Company 2017 £
Future minimum lease payments due under finance leases:		
Within one year	540,568	-
In two to five years	977,880	-
	<u>1,518,448</u>	<u>-</u>

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments

21 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

	Liabilities 2017 £
Group	
Accelerated capital allowances	<u>162,420</u>

The company has no deferred tax assets or liabilities.

	Group 2017 £	Company 2017 £
Movements in the period:		
Credit to profit or loss	(18,762)	-
Liability/(asset) at 30 November 2017	<u>(18,762)</u>	<u>-</u>

Deferred taxation is provided in full, without discounting, on all tax deferred resulting from reversing timing differences at the rate of corporation tax anticipated to apply at the time of the future reversal of the timing difference. The rate of corporation tax applied to timing differences is 17% (2016: 20%).

DOREE BONNER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 NOVEMBER 2017

22 Retirement benefit schemes

	2017 £
Defined contribution schemes	
Charge to profit or loss in respect of defined contribution schemes	70,096

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

23 Share capital

	Group and company 2017 £
Ordinary share capital	
Issued and fully paid	
70,000 Ordinary A shares of £1 each	70,000
25,000 Ordinary B shares of £1 each	25,000
	95,000
Preference share capital	
Issued and fully paid	
230,000 Preference shares of £1 each	230,000

24 Operating lease commitments

Lessee

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 2017 £	Company 2017 £
Within one year	1,093,603	-
Between two and five years	3,394,003	-
In over five years	1,770,699	-
	6,258,305	-

DOREE BONNER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 NOVEMBER 2017

25 Related party transactions

On 30 June 2017, the company acquired 100 percent of the share capital in Kelerbay Limited for £6,775,000 plus costs. This consideration was split equally between the two former shareholders and current directors of the group, G Lyall and G Watson. The consideration was satisfied by cash of £4,550,000, Ordinary B shares of £25,000 and deferred consideration in the form of secured loan notes to the value of £2,200,000. At the balance sheet date the balance outstanding on the deferred consideration amounted to £1,950,000. The loan notes are issued at a market rate of interest and rank equally among themselves and as a secured obligation of the company.

At the balance sheet date the group owed a further £282 (2016: £283) to directors of the company. This balance is interest free and repayable on demand.

During the period, the group was charged £439,511 in respect of costs incurred for the acquisition of the subsidiary by a2e Industries Limited, where Will Rawkins is a director. At the balance sheet date, an amount of £61,467 was still owed to a2e Industries Limited with respect to this transaction.

A personal guarantee and indemnity limited to £525,000 has been provided by Will Rawkins, a director, in relation to the Close Brothers cash flow loan.

Piper 2 Limited

Relationship:

Piper 2 Limited is a business owned by the wife of Mr G P Watson, a director of the company.

Transactions and Balances:

During the year the group purchased advertising and marketing services, at arm's length, totalling £112,407 (2016: £13,635). At the balance sheet date the group owed £8,790 (2016: £12,815) to Piper 2 Limited.

26 Controlling party

The ultimate controlling party is A. Amiri, the principal of a2e Industries Limited, by virtue of his shareholding in the company.

DOREE BONNER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 NOVEMBER 2017

27 Cash generated from group operations

	2017 £
Profit for the period after tax	87,831
Adjustments for:	
Taxation charged	43,692
Finance costs	284,723
Loss on disposal of tangible fixed assets	4,568
Amortisation and impairment of intangible assets	170,838
Depreciation and impairment of tangible fixed assets	143,283
Movements in working capital:	
Increase in stocks	(37,314)
Increase in debtors	(2,849,431)
Increase in creditors	3,916,034
Cash generated from/(absorbed by) operations	<u>1,764,224</u>