

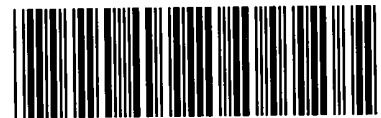
Registered number: 03973355

3T LOGISTICS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

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COMPANIES HOUSE

3T LOGISTICS LIMITED

COMPANY INFORMATION

Directors	S Twydell T Fawkes
Registered number	03973355
Registered office	5 Smith Way Grove Park Enderby Leicester LE19 1SX
Independent auditors	PKF Cooper Parry Group Limited Chartered Accountants & Statutory Auditor Argosy Road East Midlands Airport Castle Donington Derby DE74 2SA

3T LOGISTICS LIMITED

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3T LOGISTICS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2016

Introduction

3T's mission is to radically reduce transport cost, provide service excellence and a platform for sustainable continuous improvement. The vision is to be the most technically advanced logistics organisation in Europe and to be the first choice partner for any logistics professional.

Business review

At the beginning of FY2012/13 the shareholders of 3T decided to embark on a change programme to significantly grow the company by developing and selling a SAAS offering. A 3-year plan was agreed where the company would look to invest £2m into the development of the system and restructure the company in terms of key personnel.

This was financed by retained profits, R&D tax credits, a bank loan and by agreeing early payment (with discount) from a customer who 3T paid transport costs, this created £0.5m working capital. The loan has since been fully paid off.

The plan accepted two years of losses circa -£150k before returning to profit. The reality is the plan took a little longer than anticipated but has been extremely successful. The TMS SAAS offering has seen extensive growth in the last 18 months and is now gathering significant traction (From £200k beginning of 2014/15 to a run rate of £2m revenue today).

Our target for the next three years is to double the current net turnover.

3T is at the beginning of a dramatic but controlled growth spurt. Our monthly run rate at the end 2015/16 showed 25% Growth.

The investment into the system peaked last year and was £560k. The directors have made the decision to change its accounting policy in this area. The software product is now delivering significant, positive cash flows, with several prestigious, global brands. It is therefore sensible to try and reflect some of this value on the balance sheet.

The new accounting policy is to capitalise the software development costs, and amortise them over four years. This has had the effect of adding £703k to the Fixed Assets, and the Shareholder Funds at March 2016, and more accurately reflects the value of the business

Principal risks and uncertainties

The principal risks that the business faces are those associated with many SME's, with the increased economic uncertainty. The significant growth plans that the board have are reliant on finding new clients who are prepared to make a significant financial investment. However, the savings and efficiencies that our products offer should also be more attractive in these testing times. In previous periods of recession 3T has a track record of growth that has outperformed the markets.

It should also be noted that at the year end the business had agreed a flexible credit line of up to £750k, with an internationally recognised bank, to support any future working capital requirements created by the planned growth.

3T LOGISTICS LIMITED

STRATEGIC REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2016

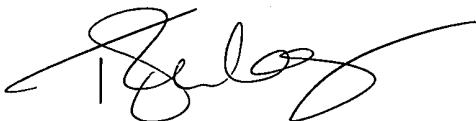
Financial key performance indicators

The business sets challenging financial targets that are very closely monitored on a regular basis. The model allows for change to its cost base should that be required. The short term future liquidity requirements of the organisation are checked on a weekly basis, and the long term funding of the company is managed regularly.

The directors of 3T are committed to the success of the company and confident that they will achieve the target growth and profitability targets for the financial year 2016/17.

This report was approved by the board and signed on its behalf.

T Fawkes
Director



Date:

16.11.16

3T LOGISTICS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2016

The directors present their report and the financial statements for the year ended 31 March 2016.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

Results and dividends

The profit for the year, after taxation, amounted to £197,009 (2015: £242,587).

During the year the directors paid dividends of £nil (2015: £nil). The directors do not recommend any further dividends to be paid.

Directors

The directors who served during the year are as disclosed on the company information page.

Future developments

The directors do not foresee any changes to the principal activities of the company.

3T LOGISTICS LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2016**

Disclosure of information to auditors

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

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

This report was approved by the board and signed on its behalf.

T Fawkes
Director



Date:

16.11.16

3T LOGISTICS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF 3T LOGISTICS LIMITED

We have audited the financial statements of 3T Logistics Limited for the year ended 31 March 2016, set out on pages 7 to 27. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 auditors' 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.

Respective responsibilities of directors and auditors

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the strategic report and the directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2016 and of its 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements and the directors' report has been prepared in accordance with applicable legal requirements.

3T LOGISTICS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF 3T LOGISTICS LIMITED

Matters on which we are required to report by exception

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



Andrew Timms (senior statutory auditor)

for and on behalf of

PKF Cooper Parry Group Limited

Chartered Accountants
Statutory Auditor

Argosy Road
East Midlands Airport
Castle Donington
Derby
DE74 2SA
Date:

16.11.16

3T LOGISTICS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2016

		31 March 2016 £	As restated 6 month period to 31 March 2015 £
	Note		
Turnover	3	11,365,431	5,630,778
Cost of sales		(8,019,358)	(3,985,620)
Gross profit		3,346,073	1,645,158
Administrative expenses		(3,083,884)	(1,391,133)
Other operating income		-	14,677
Operating profit	4	262,189	268,702
Interest payable and expenses		(7,850)	(3,755)
Profit before tax		254,339	264,947
Tax on profit	7	(57,330)	(22,360)
Profit for the year		197,009	242,587

There were no recognised gains and losses for 2016 or 2015 other than those included in the profit and loss account.

The notes on pages 10 to 27 form part of these financial statements.

3T LOGISTICS LIMITED
REGISTERED NUMBER: 03973355


BALANCE SHEET
AS AT 31 MARCH 2016

	Note	2016 £	As restated 2015 £
Fixed assets			
Intangible assets	8	743,471	445,802
Tangible assets	9	57,201	60,010
Investments	10	35,521	35,521
		<u>836,193</u>	<u>541,333</u>
Current assets			
Debtors: amounts falling due within one year	11	2,205,995	1,491,712
Cash at bank and in hand		268,696	121,751
		<u>2,474,691</u>	<u>1,613,463</u>
Creditors: amounts falling due within one year	12	(2,766,697)	(1,932,009)
Net current liabilities		<u>(292,006)</u>	<u>(318,546)</u>
Total assets less current liabilities		544,187	222,787
Provisions for liabilities			
Deferred tax	13	(125,075)	(684)
Net assets		<u>419,112</u>	<u>222,103</u>
Capital and reserves			
Called up share capital	14	959	959
Share premium account	15	49,950	49,950
Capital redemption reserve	15	290	290
Profit and loss account	15	367,913	170,904
Shareholders' funds		<u>419,112</u>	<u>222,103</u>

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

T Fawkes
Director

Date:


16.11.16

The notes on pages 10 to 27 form part of these financial statements.

3T LOGISTICS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2016

	Share capital £	Share premium £	Other reserves £	Retained earnings £	Total equity £
At 1 April 2015 (as restated)	959	49,950	290	170,904	222,103
Comprehensive income for the year					
Profit for the year	-	-	-	197,009	197,009
At 31 March 2016	<u>959</u>	<u>49,950</u>	<u>290</u>	<u>367,913</u>	<u>419,112</u>

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2015

	Share capital £	Share premium £	Other reserves £	Retained earnings £	Total equity £
At 1 October 2014 (as restated)	959	49,950	290	(71,683)	(20,484)
Comprehensive income for the period					
Profit for the period	-	-	-	242,587	242,587
At 31 March 2015 (as restated)	<u>959</u>	<u>49,950</u>	<u>290</u>	<u>170,904</u>	<u>222,103</u>

The notes on pages 10 to 27 form part of these financial statements.

3T LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

1. Accounting policies

1.1 Basis of preparation of financial statements

3T Logistics Limited (the company) is a limited liability company incorporated and domiciled in the United Kingdom. The address of its registered office is disclosed on the company information page.

The financial statements are prepared in sterling (£) which is the functional currency of the company. The financial statements are for a period 52 weeks for the year ended 31 March 2016 (2015: period of 26 weeks ending 31 March 2015).

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard (FRS) 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The company transitioned from previously extant UK GAAP to FRS 102 as at 1 October 2014. The transition is not considered to have a material effect on the financial statements and no adjustments were necessary to restate the financial statements previously presented under UK GAAP, including the balance sheet as at 1 October 2014 and the financial statements as at the year ended 31 March 2015.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

The following accounting policies have been applied consistently throughout the year:

1.2 Going concern

In preparing these financial statements the directors have considered the applicability of going concern basis. At 31 March 2016 the company balance sheet had net current liabilities of £292,006. Post balance sheet investment and management of credit terms with key customers as well as forecasted profit inflows, means the directors are satisfied the company can still meet its liabilities as they fall due and have therefore prepared the accounts on a going concern basis.

1.3 Disclosure exemptions

As permitted by FRS 102 Section 1.12, the company has taken advantage of the exemptions available under that standard in relation to presentation of cash flow statement and the aggregate remuneration of key management personnel. Where required equivalent disclosures are given in the group accounts of 3T Logistics Holdings Limited. The group accounts of 3T Logistics Holdings Limited are available to the public and can be obtained as set out in note 20.

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

3T LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

1. Accounting policies (continued)

1.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably, and;
- it is probable that the company will receive the consideration due under the contract;

Contracts whereby the company receives commission but the company is deemed to be the principal, the turnover is grossed up to recognised the full sales value and the relevant cost included within cost of sales.

1.5 Intangible assets

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

Development costs are capitalised within intangible assets where they can be identified with a specific product or project anticipated to produce future benefits, and are amortised on the straight line basis over the anticipated life of the benefits arising from the completed product or project.

Research and development expenditure is written off as incurred, except that development expenditure incurred on an individual project is capitalised as an intangible asset when the company can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the asset and the ability to measure reliably the expenditure during development. If it is not possible to distinguish between the research phase and the development phase of an internal project. The expenditure is treated as if it were all incurred in the research phase only.

Following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised evenly over the period of expected future benefit. During the period of development the asset is tested for impairment annually.

Amortisation is provided on the following bases:

Development expenditure	-	20-25% straight line
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3T LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

1. Accounting policies (continued)

1.6 Tangible fixed assets

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

Repairs and maintenance are charged to profit and loss during the period in which they are incurred. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives.

Depreciation is provided on the following basis:

Fixtures and fittings	- 20% straight line
Office equipment	- 33% straight line

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 within administrative expenses in the profit and loss account.

At each balance sheet date, the company reviews the carrying amounts of its tangible fixed assets to determine whether there is any indication that any items have suffered an impairment loss. If any such indication exists, the recoverable amount of an 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 the asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment loss is recognised as an expense immediately.

1.7 Leases

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

1.8 Valuation of investments

Investments are initially valued at cost and reviewed annually for signs of impairment. If an impairment loss is identified this is recognised immediately in the profit and loss account and the value of the investment is reduced accordingly.

3T LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

1. Accounting policies (continued)

1.9 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties and balances with related parties.

All financial assets and liabilities are measured at transaction price and subsequently measured at amortised cost.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

1.10 Foreign currency translation

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

1.11 Pensions

The company 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 company has no further payment obligations.

The contributions are recognised as an expense in the profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

1.12 Provisions for liabilities

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

Provisions are charged as an expense to the profit and loss account in the year that the company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

3T LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

1. Accounting policies (continued)

1.13 Current and deferred taxation

The tax charge for the year comprises of current and deferred tax.

Current tax is recognised for the amount of corporation tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only 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. Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

1.14 Prior year restatement

Previously the directors had adopted a policy of not capitalising research and development costs. The directors have since revised this policy and capitalise development costs if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The directors consider that this would result in a reliable and more relevant presentation of the costs and will better reflect the nature of the costs. The effect of the change in accounting policy is to increase the prior year profit by £237,959 and increase net assets and reserves by £401,907 as at 31 March 2015.

3T LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

2. Judgements in applying accounting policies and key sources of estimation uncertainty

The company makes estimates and assumptions concerning the future. Management are also required to exercise judgement in the process of applying the company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

In preparing these financial statements, the directors have made the following judgements:

Impairment of fixed assets

The company assesses the impairment of tangible fixed assets subject to depreciation whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors considered important that could trigger an impairment review include the following:

- Significant underperformance relative to historical or projected future operating results;
- Significant changes in the use of the acquired assets or the strategy for the overall business; and
- Significant negative industry or economic trends.

Depreciation and residual values

The directors have reviewed the asset lives and associated residual values of all fixed asset classes, and have concluded that asset lives and residual values are appropriate.

The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Impairment of investments

The company reviews the carrying value of fixed asset investments for indications of impairment at each period end. If indicators of impairment exist, the carrying value of the asset is subject to further testing to determine whether its carrying value exceeds its recoverable amount. This process will usually involve the estimation of future cash flows which are likely to be generated by the asset.

Recoverability of trade debtors

Trade and other receivables are recognised to the extent that they are judged recoverable. Management reviews are performed to estimate the level of reserves required for irrecoverable debt. Provisions are made specifically against invoices where recoverability is uncertain.

Management makes allowance for doubtful debts based on an assessment of the recoverability of debtors. Allowances are applied to debtors where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Management specifically analyse historical bad debts, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of the provision for doubtful debts. Where the expectation is different from the original estimate, such difference will impact the carrying value of debtors and the charge in the profit and loss account.

3T LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

Judgements in applying accounting policies and key sources of estimation uncertainty (continued)

Development expenditure

Development is capitalised in accordance with the accounting policy. Initial capitalisation of costs is based on management's judgement that technical and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised management makes assumptions regarding the expected future cash generation of the assets, discount rates to be applied and the expected period of benefits.

Leases

The company determines whether leases entered into are an operating lease or a finance lease. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the company on a lease by lease basis based on an evaluation of the terms and conditions of the arrangements, and accordingly whether the lease requires an asset and liability to be recognised in the balance sheet.

Provisions

A provision is recognised when the company has a present legal or constructive obligation as a result of a past event for which it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Whether a present obligation is probable or not requires judgement. The nature and type of risks for these provisions differ and management's judgment is applied regarding the nature and extent of obligations in deciding if an outflow of resources is probable or not.

Taxation

There are many transactions and calculations for which the ultimate tax determination is uncertain. The company recognises liabilities for anticipated taxation based on estimates of whether additional taxes will be due and after taking professional advice where appropriate.

Management estimation is required to determine the amount of any deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits.

3T LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

3. Analysis of turnover

The whole of the turnover is attributable to the principal activity of the company.

Analysis of turnover by country of destination:

	31 March 2016 £	6 month period to 31 March 2015 £
United Kingdom	11,109,524	5,375,650
EU and the rest of Europe	255,907	255,128
	<u>11,365,431</u>	<u>5,630,778</u>

4. Operating profit

The operating profit is stated after charging:

	31 March 2016 £	6 month period to 31 March 2015 £
Depreciation of tangible fixed assets owned by the company	39,960	18,502
Auditors' remuneration	15,000	10,000
Amortisation of deferred research and development expenditure	272,804	72,737
Other operating lease rentals	78,369	35,618
	<u>395,133</u>	<u>136,857</u>

3T LOGISTICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

5. Employees

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

	31 March 2016 £	6 month period to 31 March 2015 £
Wages and salaries	1,185,613	511,192
Social security costs	110,842	50,096
Cost of defined contribution scheme	31,872	16,778
	<u>1,328,327</u>	<u>578,066</u>

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

	31 March 2016 No.	6 month period to 31 March 2015 No.
Staff members	<u>56</u>	<u>50</u>

6. Directors' remuneration

	31 March 2016 £	6 month period to 31 March 2015 £
Directors' emoluments	<u>36,750</u>	<u>12,420</u>

3T LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

7. Taxation

	31 March 2016 £	6 month period to 31 March 2015 £
Corporation tax		
Current tax on profits for the year	(67,061)	22,360
Total current tax	<u>(67,061)</u>	<u>22,360</u>
Deferred tax		
Origination and reversal of timing differences	124,460	-
Effect of tax rate change on opening balances	(69)	-
Total deferred tax	<u>124,391</u>	<u>-</u>
Taxation on profit on ordinary activities	<u>57,330</u>	<u>22,360</u>

3T LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

7. Taxation (continued)

Factors affecting tax charge for the year/period

The tax assessed for the year/period is higher than (2015: lower than) the standard rate of corporation tax in the UK of 20% (2015: 20%). The differences are explained below:

	31 March 2016 £	6 month period to 31 March 2015 £
Profit on ordinary activities before tax	254,339	264,947
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015: 20%)	50,868	52,989
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	62,182	61,336
Fixed asset differences	80,449	(16,513)
Income not taxable for tax purposes	-	(3,082)
Additional deduction for R&D expenditure	(145,859)	(78,095)
Surrender of tax losses for R&D tax credit refund	25,436	3,786
Adjust closing deferred tax to average rate of 20%	(13,897)	58
Adjust opening deferred tax to average rate of 20%	-	34
Other differences leading to an increase (decrease) in the tax charge	(2)	-
Deferred tax not recognised	(1,847)	1,847
Total tax charge for the year/period	57,330	22,360

Factors that may affect future tax charges

The company has losses available to offset against future trades of £61,477 (2015: £61,477).

3T LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

8. Intangible assets

	Development £
Cost	
At 1 April 2015 (as previously stated)	60,575
Prior Year Adjustment	476,356
	<hr/>
At 1 April 2015 (as restated)	536,931
Additions	570,473
	<hr/>
At 31 March 2016	1,107,404
	<hr/>
Amortisation	
At 1 April 2015 (as previously stated)	16,680
Prior Year Adjustment	74,449
	<hr/>
At 1 April 2015 (as restated)	91,129
Charge for the year	272,804
	<hr/>
At 31 March 2016	363,933
	<hr/>
Net book value	
At 31 March 2016	743,471
	<hr/>
At 31 March 2015 (as restated)	445,802
	<hr/>

3T LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

9. Tangible fixed assets

	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation			
At 1 April 2015	54,438	127,613	182,051
Additions	11,664	25,487	37,151
At 31 March 2016	66,102	153,100	219,202
Depreciation			
At 1 April 2015	33,626	88,415	122,041
Charge for the year	10,505	29,455	39,960
At 31 March 2016	44,131	117,870	162,001
Net book value			
At 31 March 2016	21,971	35,230	57,201
At 31 March 2015	20,812	39,198	60,010

3T LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

10. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2015	35,521
At 31 March 2016	35,521
Net book value	
At 31 March 2016	35,521
At 31 March 2015	35,521

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
3T Logistics SAS	France	Ordinary shares	100 %	Service activities incidental to land transportation
3T Solo Limited	United Kingdom	Ordinary shares	100 %	Dormant
3T Symphony Limited	United Kingdom	Ordinary shares	100 %	Dormant

The aggregate of the share capital and reserves as at 31 March 2016 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £	Profit/(loss) £
3T Logistics SAS	70,311	29,205
3T Solo Limited	1	-
3T Symphony Limited	(194)	-
	70,118	29,205

3T LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

11. Debtors

	2016 £	2015 £
Trade debtors	1,860,300	1,133,281
Amounts owed by group undertakings	28,440	52,176
Other debtors	233,380	256,647
Prepayments and accrued income	83,875	49,608
	<u>2,205,995</u>	<u>1,491,712</u>

Amounts included within trade debtors at the year end that are subject to invoice discounting total £1,860,300 (2015: £nil).

12. Creditors: Amounts falling due within one year

	2016 £	2015 £
Bank loans	-	13,600
Other loans	80,000	-
Trade creditors	1,289,038	1,049,332
Amounts owed to group undertakings	44,819	16,561
Taxation and social security	374,389	262,387
Invoice discounting facility	210,000	-
Other creditors	40,605	6,092
Accruals and deferred income	727,846	584,037
	<u>2,766,697</u>	<u>1,932,009</u>

Secured loans

The bank loan of £nil (2015: £13,600) was secured by a fixed and floating charge over the assets of the company and limited personal guarantee's from the directors of the company amounting to £40,000.

The invoice discounting facility of £210,000 (2015: £nil) was secured on the book debts to which they relate and a fixed and floating charge over all assets of the company.

3T LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

13. Deferred taxation

	2016 £	2015 £
At beginning of year	684	684
Charged to the profit or loss	124,391	-
At end of year	125,075	684

The provision for deferred taxation is made up as follows:

	2016 £	2015 £
Accelerated capital allowances	136,693	13,553
Tax losses carried forward	(11,066)	(12,295)
Short term timing differences	(552)	(574)
	125,075	684

14. Share capital

	2016 £	2015 £
Allotted, called up and fully paid		
959 Ordinary shares shares of £1 each	959	959

15. Reserves

Share premium

Share premium includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Capital redemption reserve

This represents 331 Ordinary shares with a nominal value of £1 which were redeemed by the company during 2003 at their par value.

Profit and loss account

Retained earnings represents accumulated comprehensive income for the year and prior periods less dividends paid.

3T LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

16. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £31,872 (2015: £16,778).

Contributions totalling £5,679 (2015: £4,931) were payable to the fund at the balance sheet date and are included within creditors.

17. Commitments under operating leases

At 31 March 2016 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £	2015 £
Land and buildings		
Not later than 1 year	72,550	58,550
Later than 1 year and not later than 5 years	237,000	8,700
Total	<u>309,550</u>	<u>67,250</u>
	2016 £	2015 £
Other operating leases		
Not later than 1 year	134,957	198,183
Later than 1 year and not later than 5 years	15,714	128,913
Total	<u>150,671</u>	<u>327,096</u>

18. Transactions with directors

Included in other debtors is an amount of £69,340 (2015: £197,761) due from directors of the company. Amounts due from directors were provided for in the prior period, leaving a net balance due as at 31 March 2015 of £12,450.

During the year loans from the company to the directors amounting to £209,344 (2015: £194,318) were formally written off.

Amounts of £269,216 (2015: £104,248) were advanced to directors during the year and the maximum balance outstanding during the period was £269,216 (2015: £392,079).

19. Related party transactions

As the company is a wholly owned subsidiary of a company whose consolidated accounts include the results of the subsidiary and are publically available, the company has taken advantage of the FRS 102 section 33.1a exemption from disclosing transactions with group undertakings.

Remuneration paid to close family members of the directors amounted to £30,363 (2015: £14,156).

3T LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

20. Controlling party

The company is controlled by 3T Logistics Holdings Limited. The parent undertaking of the largest and smallest group for which consolidated financial statements are prepared is 3T Logistics Holdings Limited. Consolidated financial statements are available from Companies House, Crown Way, Cardiff, CF14 3UZ.

In the opinion of the directors this is the company's ultimate parent company. 3T Logistics Holdings Limited is ultimately controlled by S Twydell, director.