

COMPANY REGISTRATION NUMBER: 02625304

PSL Freight Limited
Financial Statements
31 March 2018



EDMUND CARR LLP
Chartered Accountants & Statutory Auditor
146 New London Road
Chelmsford
Essex
CM2 0AW

PSL Freight Limited

Financial Statements

Year ended 31 March 2018

Contents	Page
Officers and professional advisers	1
Strategic report	2
Directors' report	3
Independent auditor's report to the members	5
Statement of comprehensive income	9
Statement of financial position	10
Statement of changes in equity	11
Notes to the financial statements	12

PSL Freight Limited

Officers and Professional Advisers

The board of directors

J E King
B A Benton
R Catt
M Douglas
J Mutton
R Gibbs

Company secretary

B A Benton

Registered office

Quayside Park
Maldon
Essex
CM9 5FA

Auditor

Edmund Carr LLP
Chartered Accountants & Statutory Auditor
146 New London Road
Chelmsford
Essex
CM2 0AW

PSL Freight Limited

Strategic Report

Year ended 31 March 2018

PSL Freight Limited is an international freight forwarding company that also operates warehouse and transport services. The company is particularly involved in the Iberian markets although significant bespoke pan European logistical services are also offered throughout the country. These European forwarding activities are accompanied by a Dover port clearance division, a Heathrow based air freight operation and a small sea freight service.

Although there is a strong focus on Iberia a sufficient breadth of activities are operated to guard against regional business downturns. The main foreign currency that the company uses is the Euro, and whilst there is a risk presented by sharp exchange movements, such risk is mitigated by forward purchasing of the Euro. However a sustained period of lower pound to Euro exchange rates such as has been experienced since the UK voted to leave the EU is likely to cause a deterioration in profit. Other than the normal commercial risk of business loss the company is not exposed to any other material risk factors.

The company achieved another strong pre-tax profit of £960,992 some 18% up on the prior year with turnover up by 5.2% to £23.7 million, and the company had a healthy cash balance at the year end with no borrowings despite the purchase of the previous leasehold depot in Hinckley.

Continuing strong profitability is expected in 2018/19.

Key performance indicators are as follows:

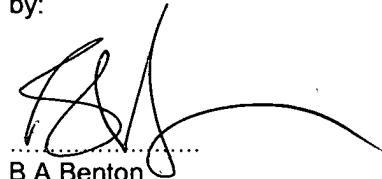
Gross margin	21.3%
Net margin	4.1%

The share, by function, of sales was as follows:

	Turnover £'000	%
European Forwarding	14,489	61
Iberia	4,793	20
Transport	1,908	8
Dover Port Clearance	1,105	5
Warehousing	732	3
Air	659	3

Although no specific statistics are available the company aims to consider the welfare of its staff at all times whilst operating with an awareness and responsibility towards key environmental issues. Where possible polystyrene, cardboard and plastic packing waste is recycled.

This report was approved by the board of directors on 19 June 2018 and signed on behalf of the board by:



B A Benton
Company Secretary

Registered office:
Quayside Park
Maldon
Essex
CM9 5FA

PSL Freight Limited

Directors' Report

Year ended 31 March 2018

The directors present their report and the financial statements of the company for the year ended 31 March 2018.

Directors

The directors who served the company during the year were as follows:

J E King
B A Benton
R Catt
M Douglas
J Mutton
R Gibbs

Dividends

Particulars of recommended dividends are detailed in note 11 to the financial statements.

Disclosure of information in the strategic report

In accordance with section 414C(11) of the Companies Act 2006, the company has included a Strategic Report within the financial statements outlining the performance of the company during the year along with a description of the principal risks and uncertainties facing the company.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's 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.

PSL Freight Limited

Directors' Report *(continued)*

Year ended 31 March 2018

Auditor

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

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board of directors on 19 June 2018 and signed on behalf of the board by:



B A Benton
Company Secretary

Registered office:
Quayside Park
Maldon
Essex
CM9 5FA

PSL Freight Limited

Independent Auditor's Report to the Members of PSL Freight Limited

Year ended 31 March 2018

Opinion

We have audited the financial statements of PSL Freight Limited (the 'company') for the year ended 31 March 2018 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity and the related notes, 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).

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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 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.

PSL Freight Limited

Independent Auditor's Report to the Members of PSL Freight Limited *(continued)*

Year ended 31 March 2018

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, 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.

PSL Freight Limited

Independent Auditor's Report to the Members of PSL Freight Limited *(continued)*

Year ended 31 March 2018

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

PSL Freight Limited

Independent Auditor's Report to the Members of PSL Freight Limited *(continued)*

Year ended 31 March 2018

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

Edmund Carr LLP

Colin Andrew Barker (Senior Statutory Auditor)

For and on behalf of
Edmund Carr LLP
Chartered Accountants & Statutory Auditor
146 New London Road
Chelmsford
Essex
CM2 0AW

19 June 2018

PSL Freight Limited

Statement of Comprehensive Income

Year ended 31 March 2018

		2018	2017
	Note	£000	£000
Turnover	4	23,686	22,524
Cost of sales		18,634	17,786
Gross profit		<u>5,052</u>	<u>4,738</u>
Administrative expenses		4,274	4,059
Other operating income		182	121
Operating profit	5	<u>960</u>	<u>800</u>
Other interest receivable and similar income	9	1	13
Profit before taxation		<u>961</u>	<u>813</u>
Tax on profit	10	189	174
Profit for the financial year and total comprehensive income		<u><u>772</u></u>	<u><u>639</u></u>

All the activities of the company are from continuing operations.

The notes on pages 12 to 19 form part of these financial statements.

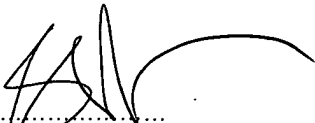
PSL Freight Limited

Statement of Financial Position

31 March 2018

	Note	2018 £000	2017 £000
Fixed assets			
Tangible assets	12		164
Current assets			
Debtors	13	4,430	4,001
Cash at bank and in hand		1,094	2,008
		<u>5,524</u>	<u>6,009</u>
Creditors: amounts falling due within one year	14	<u>5,631</u>	<u>5,256</u>
Net current (liabilities)/assets			<u>753</u>
Total assets less current liabilities			<u>1,304</u>
Provisions			
Taxation including deferred tax	15	5	7
Other provisions	15	<u>131</u>	<u>144</u>
			<u>136</u>
Net assets			<u><u>1,168</u></u>
Capital and reserves			
Called up share capital	18		407
Profit and loss account	19		<u>761</u>
Shareholders funds			<u><u>1,168</u></u>

These financial statements were approved by the board of directors and authorised for issue on 19 June 2018, and are signed on behalf of the board by:


.....
B A Benton
Director

Company registration number: 02625304

The notes on pages 12 to 19 form part of these financial statements.

PSL Freight Limited

Statement of Changes in Equity

Year ended 31 March 2018

	Called up share capital £000	Profit and loss account £000	Total £000
At 1 April 2016	–	459	459
Profit for the year	–	639	639
Total comprehensive income for the year	–	639	639
Issue of shares	407	–	407
Dividends paid and payable	11	(739)	(739)
Total investments by and distributions to owners	407	(739)	(332)
At 31 March 2017	407	359	766
Profit for the year	–	772	772
Total comprehensive income for the year	–	772	772
Dividends paid and payable	11	(370)	(370)
Total investments by and distributions to owners	–	(370)	(370)
At 31 March 2018	<u>407</u>	<u>761</u>	<u>1,168</u>

The notes on pages 12 to 19 form part of these financial statements.

PSL Freight Limited

Notes to the Financial Statements

Year ended 31 March 2018

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Quayside Park, Maldon, CM9 5FA, Essex.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity, and are rounded to the nearest £000.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of The PSL Group Limited which can be obtained from Quayside Park, Maldon, Essex, CM9 5FA. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- (a) No cash flow statement has been presented for the company.
- (b) No disclosure has been given for the aggregate remuneration of key management personnel.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Revenue recognition

Turnover represents amounts (excluding value added tax) derived from the provision of services to customers during the year.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

PSL Freight Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

3. Accounting policies *(continued)*

Income tax

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes, except as otherwise required by FRS 19. The deferred tax balance has not been discounted.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold property	-	50 years
Fixtures, fittings & equipment	-	3 to 20 years

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

PSL Freight Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

3. Accounting policies *(continued)*

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Defined contribution plans

The company makes contributions to a defined contribution scheme operated by The PSL Group. The assets of the scheme are held separately from those of the group in an independently administered fund. The amount charged against profits represents the contributions payable to the scheme in respect of the accounting period.

4. Turnover

Turnover arises from:

	2018	2017
	£000	£000
Rendering of services	23,686	22,524

The total turnover of the company for the year has been derived from its principal activity. As the company's activities involve the forwarding of freight between different countries, a geographical analysis of turnover is considered inappropriate.

5. Operating profit

Operating profit or loss is stated after charging:

	2018	2017
	£000	£000
Depreciation of tangible assets	70	83
Loss on disposal of tangible assets	-	13
Impairment of trade debtors	6	1

PSL Freight Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

6. Auditor's remuneration

	2018 £000	2017 £000
Fees payable for the audit of the financial statements	<u>11</u>	<u>11</u>
Fees payable to the company's auditor and its associates for other services: Taxation advisory services	<u>1</u>	<u>1</u>

7. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2018 No.	2017 No.
Operations	71	73
Sales and marketing	4	4
Administrative	8	8
	<u>83</u>	<u>85</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2018 £000	2017 £000
Wages and salaries	2,562	2,451
Social security costs	266	258
Other pension costs	144	89
	<u>2,972</u>	<u>2,798</u>

8. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2018 £000	2017 £000
Remuneration	532	591
Company contributions to defined contribution pension plans	84	46
Compensation for loss of office	–	97
	<u>616</u>	<u>734</u>

Remuneration of the highest paid director in respect of qualifying services:

	2018 £000	2017 £000
Aggregate remuneration	98	143
Company contributions to defined contribution pension plans	50	10
	<u>148</u>	<u>153</u>

PSL Freight Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

8. Directors' remuneration *(continued)*

During the year, 6 directors (2017: 7 directors) accrued benefits under company defined contribution pension schemes.

9. Other interest receivable and similar income

	2018 £000	2017 £000
Interest on cash and cash equivalents	1	13

10. Tax on profit

Major components of tax expense

	2018 £000	2017 £000
Current tax:		
UK current tax expense	191	182
Deferred tax:		
Origination and reversal of timing differences	(2)	(8)
Tax on profit	<u>189</u>	<u>174</u>

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2017: higher than) the standard rate of corporation tax in the UK of 19% (2017: 20%).

	2018 £000	2017 £000
Profit on ordinary activities before taxation	961	813
Profit on ordinary activities by rate of tax	183	163
Effect of expenses not deductible for tax purposes	7	11
Effect of capital allowances and depreciation	1	8
Short-term timing differences	(2)	(8)
Tax on profit	<u>189</u>	<u>174</u>

11. Dividends

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	2018 £000	2017 £000
Dividends on equity shares	370	739

PSL Freight Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

12. Tangible assets

	Land and buildings £000	Equipment £000	Total £000
Cost			
At 1 April 2017	–	1,038	1,038
Additions	1,263	54	1,317
At 31 March 2018	<u>1,263</u>	<u>1,092</u>	<u>2,355</u>
Depreciation			
At 1 April 2017	–	874	874
Charge for the year	10	60	70
At 31 March 2018	<u>10</u>	<u>934</u>	<u>944</u>
Carrying amount			
At 31 March 2018	<u>1,253</u>	<u>158</u>	<u>1,411</u>
At 31 March 2017	<u>–</u>	<u>164</u>	<u>164</u>

13. Debtors

	2018 £000	2017 £000
Trade debtors	4,252	3,820
Amounts owed by group undertakings	41	21
Prepayments and accrued income	111	134
Other debtors	26	26
	<u>4,430</u>	<u>4,001</u>

Other debtors include £26,438 falling due after one year (2017: £26,438).

14. Creditors: amounts falling due within one year

	2018 £000	2017 £000
Trade creditors	4,586	4,385
Corporation tax	191	182
Social security and other taxes	719	619
Other creditors	135	70
	<u>5,631</u>	<u>5,256</u>

PSL Freight Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

15. Provisions

	Deferred tax (note 16) £000	Dilapidations £000	Total £000
At 1 April 2017	7	144	151
Additions	–	70	70
Charge against provision	–	(83)	(83)
Unused amounts reversed	(2)	–	(2)
At 31 March 2018	<u>5</u>	<u>131</u>	<u>136</u>

The company has a number of premises. The dilapidations on these premises that existed at the year-end are expected to be rectified by the company and so provision has been made for the estimated cost.

16. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2018 £000	2017 £000
Included in provisions (note 15)	<u>5</u>	<u>7</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2018 £000	2017 £000
Accelerated capital allowances	<u>5</u>	<u>7</u>

17. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £144,528 (2017: £88,723).

18. Called up share capital

Issued, called up and fully paid

	2018		2017	
	No.	£000	No.	£000
Ordinary shares of £1 each	<u>407,000</u>	<u>407</u>	<u>407,000</u>	<u>407</u>

19. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

PSL Freight Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

20. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2018	2017
	£000	£000
Not later than 1 year	342	369
Later than 1 year and not later than 5 years	892	1,020
Later than 5 years	315	495
	<u>1,549</u>	<u>1,884</u>

During the year, operating lease payments of £382,921 were recognised as an expense (2017: £493,074).

21. Other financial commitments

At the year end the company had entered into forward contracts to buy foreign currency to a value of £3,509,655 (2017 - £1,046,279).

22. Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard 102 from the requirement to disclose transactions with wholly owned group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.

Skantrans-PSL Limited

The PSL Group Limited, the company's parent undertaking, has a 43% (2017: 43%) interest in Skantrans-PSL Limited. Sales to Skantrans-PSL Limited in the year amounted to £759,577 (2017: £792,146) and purchases from Skantrans-PSL Limited amounted to £3,711 (2017: £10,185). Management charges and other overhead recharges of £314,771 (2017: £254,516) were also received from Skantrans-PSL Limited during the year. The amount owed from Skantrans-PSL Limited as at 31 March 2017 was £22,649 (2017: £51).

23. Controlling party

The company is a subsidiary undertaking of The PSL Group Limited registered in England and Wales.

The only group in which the results of the company are consolidated is that headed by The PSL Group Limited registered in England and Wales. The consolidated accounts of this group are available to the public and may be obtained from the company's registered office, Quayside Park, Maldon, Essex, CM9 5FA.