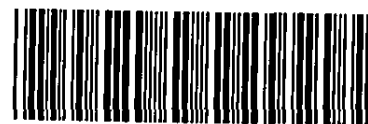


'REGISTRAR'

Company Registration No. 00817849 (England and Wales)

**INTERROUTE TRANSPORT SERVICES LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2010**

THURSDAY



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'REGISTRAR'

# INTERROUTE TRANSPORT SERVICES LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	B L Rogers D J Martin
<b>Secretary</b>	B L Rogers
<b>Company number</b>	00817849
<b>Registered office</b>	Rycote Lane, Thame, Oxon OX9 2JB
<b>Auditors</b>	Whitley Stimpson LLP Penrose House, 67 Hightown Road, Banbury, Oxon OX16 9BE
<b>Bankers</b>	Barcalys Bank Plc 102 High Street, Thame, Oxon OX9 3DU
<b>Solicitors</b>	Bower and Bailey 39 South Bar, Banbury, Oxon OX16 9AE

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**'REGISTRAR'**  
**INTERROUTE TRANSPORT SERVICES LIMITED**

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**'REGISTRAR'**  
**INTERROUTE TRANSPORT SERVICES LIMITED**

**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2010**

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The directors present their report and financial statements for the year ended 31 December 2010

**Principal activities**

The principal activity of the company continued to be that of warehousing and distribution of palletised and packaged goods

**Directors**

The following directors have held office since 1 January 2010

B L Rogers  
D J Martin

**Auditors**

The auditors, Whitley Stimpson LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006

**Statement of directors' responsibilities**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

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

- select suitable accounting policies and then apply them consistently,
- make judgements and 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.

'REGISTRAR'

## INTERROUTE TRANSPORT SERVICES LIMITED

### DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2010

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#### Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors 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 company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

By order of the board



B L Rogers  
**Secretary**

28 March 2011

## **INTERROUTE TRANSPORT SERVICES LIMITED**

### **INDEPENDENT AUDITORS' REPORT**

#### **TO THE MEMBERS OF INTERROUTE TRANSPORT SERVICES LIMITED**

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We have audited the financial statements of Interoute Transport Services Limited for the year ended 31 December 2010 set out on pages 5 to 12. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 set out on pages 1 - 2, 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 Auditing Practices Board'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.

#### **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 December 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

'REGISTRAR'

## INTERROUTE TRANSPORT SERVICES LIMITED

### INDEPENDENT AUDITORS' REPORT (CONTINUED)

### TO THE MEMBERS OF INTERROUTE TRANSPORT SERVICES LIMITED

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#### 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, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report

29 March 2011

*Whitley Stimpson LLP*

**A E. Simmonds (Senior Statutory Auditor)**

**for and on behalf of Whitley**

**Stimpson LLP**

Chartered Accountants

Statutory Auditor

Penrose House,

67 Hightown Road,

Banbury, Oxon

OX16 9BE

'REGISTRAR'

## INTERROUTE TRANSPORT SERVICES LIMITED

### PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2010

		2010 £	2009 £
	Notes		
Turnover		4,815,925	4,450,665
Cost of sales		(3,063,749)	(2,927,864)
Gross profit		1,752,176	1,522,801
Administrative expenses		(1,413,820)	(1,253,940)
Operating profit	2	338,356	268,861
Interest payable and similar charges		(37,832)	(34,106)
Profit on ordinary activities before taxation		300,524	234,755
Tax on profit on ordinary activities	3	(74,100)	(61,425)
Profit for the year	12	226,424	173,330



**'REGISTRAR'**  
**INTERROUTE TRANSPORT SERVICES LIMITED**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2010**

	Notes	2010 £	£	2009 £	£
<b>Fixed assets</b>					
Tangible assets	5		266,384		256,928
<b>Current assets</b>					
Stocks		15,050		15,250	
Debtors amounts falling due within one year	6	865,605		734,793	
Debtors amounts falling due after more than one year	6	4,244,106		4,165,844	
Cash at bank and in hand		10,995		652	
		<u>5,135,756</u>		<u>4,916,539</u>	
<b>Creditors: amounts falling due within one year</b>	7	<u>(1,300,684)</u>		<u>(1,151,685)</u>	
<b>Net current assets</b>			<u>3,835,072</u>		<u>3,764,854</u>
<b>Total assets less current liabilities</b>			<u>4,101,456</u>		<u>4,021,782</u>
<b>Creditors: amounts falling due after more than one year</b>	8		(103,628)		(14,282)
<b>Provisions for liabilities</b>	9		(22,172)		(31,846)
			<u>3,975,656</u>		<u>3,975,654</u>
<b>Capital and reserves</b>					
Called up share capital	11		3,975,554		3,975,554
Share premium account	12		100		100
Profit and loss account	12		2		-
<b>Shareholders' funds</b>			<u>3,975,656</u>		<u>3,975,654</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Approved by the Board for issue on 28 March 2011



B L Rogers  
 Director

Company Registration No 00817849

# INTERROUTE TRANSPORT SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

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### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

#### 1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts

#### 1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, on a straight line basis, as follows

Short leasehold properties	Period of lease
Plant and machinery	3-15 years
Computer equipment	2-3 years
Fixtures, fittings and equipment	3-15 years
Motor vehicles	3-8 years

#### 1.4 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a small-sized group. The company has therefore taken advantage of the exemptions provided by section 398 of the Companies Act 2006 not to prepare group accounts.

### 2 Operating profit

	2010 £	2009 £
Operating profit is stated after charging		
Depreciation of tangible assets	97,550	98,888
Auditors' remuneration	15,574	10,845
Directors' remuneration	87,387	64,831

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2009 - 2)

The number of directors for whom retirement benefits are accruing under defined benefit schemes amounted to 2 (2009 - 2)

**INTERROUTE TRANSPORT SERVICES LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2010**

3	Taxation	2010 £	2009 £	
	Domestic current year tax			
	U K corporation tax	83,774	36,197	
	Total current tax	83,774	36,197	
	Deferred tax			
	Deferred tax for the current year	(9,674)	25,228	
		74,100	61,425	
4	Dividends	2010 £	2009 £	
	Ordinary interim paid	226,422	44,608	
5	Tangible fixed assets			
		Land and buildings	Plant and machinery etc	Total
		£	£	£
	Cost			
	At 1 January 2010	190,046	900,385	1,090,431
	Additions	33,881	85,647	119,528
	Disposals	-	(53,225)	(53,225)
	At 31 December 2010	223,927	932,807	1,156,734
	Depreciation			
	At 1 January 2010	118,189	715,314	833,503
	On disposals	-	(40,703)	(40,703)
	Charge for the year	25,459	72,091	97,550
	At 31 December 2010	143,648	746,702	890,350
	Net book value			
	At 31 December 2010	80,279	186,105	266,384
	At 31 December 2009	71,857	185,071	256,928

The net book value of other tangible fixed assets includes £166,134 (2009 - £191,811) in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £61,687 (2009 - £74,850) for the year.

**'REGISTRAR'**  
**INTERROUTE TRANSPORT SERVICES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2010**

<b>6 Debtors</b>	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Trade debtors	787,271	646,861
Amounts owed by group undertakings and undertakings in which the company has a participating interest	4,244,106	4,165,844
Other debtors	78,334	87,932
	<u>5,109,711</u>	<u>4,900,637</u>

Debtors include an amount of £4,244,106 (2009 - £4,165,844) which is due after more than one year

<b>7 Creditors amounts falling due within one year</b>	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	430,468	397,594
Net obligations under finance leases	89,757	64,198
Trade creditors	441,593	380,470
Taxation and social security	260,948	180,903
Other creditors	77,918	128,520
	<u>1,300,684</u>	<u>1,151,685</u>

The company utilises confidential invoice discounting (CID), which is secured by floating and fixed charges over the book debts of the company. The CID bears interest at Base plus 2.65% (2009 Base plus 2.50%). The facility is repayable on demand. At 31 December 2010, £430,468 was drawn on this facility (2009 £396,719). This facility is further secured by personal guarantees made by each of the directors up to a maximum of £50,000.

Finance lease obligations are secured against the asset which is financed.

<b>8 Creditors' amounts falling due after more than one year</b>	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Net obligations under finance leases	<u>103,628</u>	<u>14,282</u>

Finance lease obligations are secured on the asset which is financed.

**INTERROUTE TRANSPORT SERVICES LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2010****9 Provisions for liabilities**

	<b>Deferred tax liability £</b>
Balance at 1 January 2010	31,846
Profit and loss account	(9,674)
	<hr/>
Balance at 31 December 2010	22,172
	<hr/>

The deferred tax liability is made up as follows.

	<b>2010 £</b>	<b>2009 £</b>
Accelerated capital allowances	22,172	31,846
	<hr/>	<hr/>

**10 Pension costs****Defined contribution****Stakeholder Fund**

The company operates a stakeholder money purchase pension scheme administered by Friends Provident and has been advised by an independent actuary in this regard. The pension charge for the year amounted to £17,241 (2009 £19,549). An amount of £1,983 (2009 £4,006) is included in other creditors representing the excess of accumulated pension costs over the payment of contributions to this fund.

**The Milk Pension Fund**

The Milk Pension Fund is a defined benefit scheme. However, the contributions of the scheme are accounted for as if the scheme were a defined contribution scheme, as the company is unable to identify its share of the underlying assets and liabilities of the scheme.

The pension charge for the year amounted to £7,262 (2009 £3,263) and is based on 18.2% of pensionable salary. An actuarial valuation of the Milk Pension Fund was undertaken on 31 March 2009 and a deficit of £85,000,000 was identified (31/03/2006 £6,800,000). The total fund deficit has been allocated over the members of the fund, of which Interoute's share of the deficit is £nil. Any surplus or deficit allocated to the company for funding purposes would be reflected in the contribution rate.

	<b>2010 £</b>	<b>2009 £</b>
Contributions payable by the company for the year	24,503	22,812
	<hr/>	<hr/>

**INTERROUTE TRANSPORT SERVICES LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2010**

<b>11 Share capital</b>	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
<b>Allotted, called up and fully paid</b>		
3,975,554 Ordinary shares of £1 each	3,975,554	3,975,554

<b>12 Statement of movements on reserves</b>	<b>Share premium account</b>	<b>Profit and loss account</b>
	<b>£</b>	<b>£</b>
Balance at 1 January 2010	100	-
Profit for the year	-	226,424
Dividends paid	-	(226,422)
Balance at 31 December 2010	100	2

**13 Financial commitments**

At 31 December 2010 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2011

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Operating leases which expire		
Between two and five years	681,419	705,657
In over five years	52,484	45,090
	733,903	750,747

**INTERROUTE TRANSPORT SERVICES LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2010****14 Employees****Number of employees**

The average monthly number of employees (including directors) during the year was

	2010 Number	2009 Number
Operational staff	39	30
Office and Management	15	17
	54	47

**Employment costs**

	2010 £	2009 £
Wages and salaries	1,280,732	1,153,859
Social security costs	128,236	115,547
Other pension costs	24,503	22,812
	1,433,471	1,292,218

**15 Control**

The ultimate parent company is Interoute Holdings Limited, a company registered in England and Wales

Copies of the financial statements of Interoute Holdings Limited can be obtained from the Registered office address on page 1

The ultimate controlling parties are B L Rogers and D J Martin

**16 Related party relationships and transactions****Other transactions**

As at 31 December 2010, £4,244,101(2009 4,165,844) was owing from the parent company Interoute Holdings Limited A dividend amounting to £226,422 (2009 £44,608) was paid to Interoute Holdings Limited

During the year the Director Mr D Martin purchased a motor vehicle from the company for £8,500 This was deemed to be at arms length having obtained independent valuations of the vehicle