

H. & M.E. Fearon Ltd.Report of the Directors for the year ended 31st March 1981Affairs

The state of the Company's affairs is considered satisfactory.

Dividends

The Directors do not recommend the payment of a dividend.

Activities

The principal activity of the Company continues to be that of Road Haulage Contractors.

Directors

The Directors who held office during the year, together with their shareholdings, were as follows:-

	<u>£1 Ordinary Shares</u>	
	<u>1982</u>	<u>1981</u>
H. Fearon Esq.	25000	25000
Mrs M.E. Fearon	25000	25000

Fixed Assets

The Directors are of the opinion that the market value of the property shown in the Balance Sheet is approximately £85000.

Status

The Company is a 'Close Company' under the provisions of the Income and Corporation Taxes Act 1970.

Auditors

The Auditors, Messrs Mossop and Gillcrust, Accountants, Carlisle, offer themselves for re-election under Section 14(1) of the Companies Act 1976.

BY ORDER OF THE BOARD

M.E. FEARON

Secretary



H. & M.E. Fearon Limited

Notes on and forming part of the Accounts for the year ended 31st March 1982

1. ACCOUNTING POLICIES

TURNOVER is the amount receivable by the Company during the year for goods sold and services rendered in the ordinary course of business.

DEPRECIATION of the following assets has been provided by the reducing balance method, calculated at annual rates estimated to write off each asset over the term of its useful life.

Equipment
Furnishings & Fittings
Motor Vehicles

The accounts do not include charges for depreciation on Freehold Premises.

STOCK has been valued at the lower of cost or net realisable value in the normal course of business.

DEFERRED TAXATION has not been provided for as in the opinion of the directors such tax will not become payable.

2. DIRECTORS REMUNERATION

	<u>1982</u>	<u>1981</u>
H. Fearon Esq.	8670.75	8321.70
Mrs M.E. Fearon	<u>7251.90</u>	<u>6950.50</u>
	<u>15922.65</u>	<u>15272.20</u>

3. TAXATION

The charge for taxation comprises:-

	<u>1982</u>	<u>1981</u>
U.K. Corporation Tax based on Current Profits at 40%	NIL	NIL

4. FIXED ASSETS

	<u>Freehold Premises</u>	<u>Equipment</u>	<u>Furnishings & Fittings</u>	<u>Motor Vehicles</u>	<u>Total</u>
<u>COST</u>					
at 31.3.81.	74292	37842	1307	329904	443345
Additions				102566	102566
Sales				(72494)	(72494)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
at 31.3.82.	74292	37842	1307	359976	473417
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<u>DEPRECIATION</u>					
at 31.3.81.	-	11862	717	132533	145112
Charges added back				(36968)	(36968)
Charge for year	-	5419	147	52223	57759
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
at 31.3.82.	-	17281	864	147788	165933
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<u>NET BOOK VALUE</u>					
at 31.3.81.	74292	25980	590	197371	298233
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
at 31.3.82.	74292	20561	443	212188	307484
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

5. SHARE CAPITAL

Authorised

Ordinary Shares of £1 each

50000

Issued and Fully Paid

Ordinary Shares of £1 each

50000

H. & M.E. Fearon Limited

Statement of Source and Application of Funds during the year ended 31st March 1982

Source of Funds

(Loss) before taxation	(16500)
Adjustment for items not involving the movement of funds:-	
Depreciation	57789
<u>Total Generated from Operations</u>	41289
<u>Application of Funds</u>	
Purchase of Fixed Assets (Net)	62431
<u>Increase/(Decrease) in Working Capital</u>	21142

Movements in Working Capital

Increase in Stocks	495
Increase in Debtors	17566
Decrease in VAT Creditor	4009
(Increase) in Creditors	(14161)
(Increase) in Hire Purchase	(2125)
(Increase) in Bank Overdraft	(40008)
Decrease in Bank Loan	10000
(Decrease) in Cash on Hand	4
	<u>£21142</u>

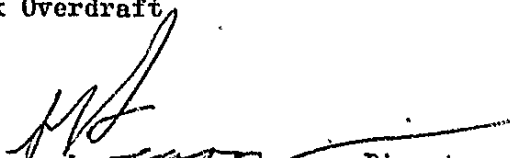
TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR E

	<u>1981</u>	<u>1982</u>
To Wages and National Insurance	127707	146070.60
Management Services	7955	8308.00
Motor Expenses:-		
Repairs and Spares	33863	38498.97
Fuel and Oil	121737	167746.05
Licences and Insurance	38175	35520.95
Sub-Contracting	113727	54845.93
Travelling etc. Expenses	8584	12349.10
Directors Travelling Expenses	874	- -
Rent,	15245	15500.00
Rates and Water	3108	3816.37
Postages, Telephone and Stationery	3883	4361.87
Accountancy Charges.	1095	1200.00
Bank Charges	14252	17668.97
Repairs and Renewals	5785	1761.23
Training Board Levy	1165	913.00
Heat and Light	537	931.61
Sundry Expenses	1766	1019.56
Fire Purchase Interest	7217	6378.16
Bad Debts written off	-	7797.87
Net Profit carried down	81983	60935.10
	588658	585623.34
To Depreciation	55510	57788.87
Interest on Bank Development Loan	3750	3750.00
Directors Remuneration	15272	15922.65
Loss on Vehicles scrapped	-	155.00
Balance carried forward	114626	102734.75
	189158	180351.27

MEALSGATE, CARLISLE, CUMBRIA.

FOR THE YEAR ENDED 31st MARCH, 1982

	<u>1981</u>	<u>1982</u>
By Haulage Earnings etc.	582643	582743.34
Wayleave	1	- -
Rent Received	3120	2880.00
Insurance Claim for damage to warehouse	2894	- -
	588658	585623.34
By Balance brought forward	106825	114625.77
Net Profit brought down	81983	60935.10
Profit on vehicles sold	350	4764.00
Cumberland Transport Training Board Dividend	-	26.40
	189158	186551.27

<u>1981</u>				<u>1982</u>
		<u>Capital and Accumulated Profits</u>		
		<u>Capital</u>		
		<u>Nominal and Issued</u>		
50000		50000 Shares of £1 each fully paid		50000.00
114626		<u>Profit and Loss Appropriation Account</u>		102734.75
164626				152734.75
56581		<u>Directors Loan Account</u>		53495.46
10833		<u>Bank Business Development Loan</u>		832.94
51777		<u>Hire Purchase Creditor</u>		53591.75
		<u>Current Liabilities</u>		
182797	70173	Sundry Creditors	80325.23	
	112624	Bank Overdraft	152631.90	232957.13
				
	 Director		
		...M.E. Fearon..... Director		
	 17/8/82 Date		
466014				493612.03

LTD., MEALSGATE, CARLISLE, CUMBRIA.

S AT 31st MARCH, 1982.

	1981			1982	
		<u>Fixed Assets</u>			
	74292	<u>Warehouse at Workington Docks</u> at cost as at 31.3.81.			74292.20
	150	<u>Central Heating Installation</u> at cost as at 31.3.81.		330.00	
		<u>Less</u> Accumulated Depreciation		217.00	113.00
		<u>Motor Vehicles</u> at cost as at 31.3.81.		329904.00	
		Additions during year at cost		102565.87	
		<u>Less</u> Cost of vehicle scrapped 540.00		432469.87	
	197371	Sales at cost 71594.00			
		Acc. Depreciation 147787.87		220281.87	212188.00
	25830	<u>Tools and Equipment</u> at cost as at 31.3.81.		37511.65	
		<u>Less</u> Accumulated Depreciation		17063.65	20448.00
	590	<u>Office Furniture etc.</u> at cost as at 31.3.81.		1306.65	
	298233	<u>Less</u> Accumulated Depreciation		863.65	443.00
		<u>Current Assets</u>			307484.20
	225	<u>Investment in Cumb. Tpt. Training Board</u> at cost		225.00	
	8205	<u>Stock of Spares etc.</u>		8700.00	
	151904	<u>Sundry Debtors and Prepayments</u>		169470.31	
	7385	<u>Hire Purchase Interest in advance</u>		7675.08	
	167781	<u>Cash in Hand</u>		57.44	186127.85
	466014				493612.03

AUDITORS REPORT TO THE MEMBERS OF H. & M.E. FE

We have audited the annexed financial statements which have been prepared under the supervision of the directors and have been conducted in accordance with approved Auditing Standards and we have carried out our audit having regard to the matters referred to in the following paragraph.

In common with many businesses of similar size and organisation the company's system of internal control involves a high degree of involvement of the directors (who are major shareholders). In these circumstances it was not possible to obtain alternative confirmation of transactions from the directors where alternative confirmation of transactions was not available.

Subject to the foregoing, in our opinion the financial statements give a true and fair view of the financial affairs at 31st March 1982, and of its Profit and source and application of funds, and comply with the Companies Acts 1948 and 1967.

Masson & Gellman

22 Spencer Street, Carlisle.

Accountants

REPORT TO THE MEMBERS OF H. & M.E. FEARON LTD.

statements which have been prepared under the Historic Cost Convention. Our audit was conducted in accordance with Auditing Standards and we have carried out such procedures as we considered necessary to in the following paragraph.

Due to the small size and organisation the company's system of control is dependent upon the close supervision of the major shareholders. In these circumstances we have had to rely upon representations and confirmation of transactions was not available.

On the basis of the financial statements give a true and fair view of the state of the company's affairs and of its Profit and source and application of funds for the year then ended and ended 1967.

Masson Gellman

Accountants

8th June 1982

Mossop and Gillcrist,
22 Spencer Street,
Carlisle.