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LOADWELL CONTRACTS LIMITED
COMPANY REGISTRATION No. 2108142
30th SEPTEMBER 1995

ANNUAL REPORT
and
FINANCIAL STATEMENTS



LOADWELL CONTRACTS LIMITED

DIRECTORS

T.J.Ingram

M.Downes

SECRETARY

S.N.Quinton

REGISTERED OFFICE

Fagbury Road
Felixstowe
Suffolk
IP11 8HQ

AUDITORS

Hughes Allen
9 Lower Brook Street
Ipswich
Suffolk, IP4 1AG

LOADWELL CONTRACTS LIMITED
INDEX TO THE FINANCIAL STATEMENTS
YEAR ENDED 30th SEPTEMBER 1995

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LOADWELL CONTRACTS LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30th SEPTEMBER 1995

The directors present their annual report and the financial statements for the year ended 30th September 1995.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The principal activity of the company is that of road haulage contractor. The company has substantially increased its fleet size during the year, which has resulted in an increase in turnover. The directors are satisfied with the increase in activity, and have positive expectations for the future. It should be noted that the comparatives are for a 15 month period.

RESULTS AND DIVIDENDS

The results for the year are set out in detail on page 4.

The directors do not recommend payment of a dividend.

It is proposed that the retained profit of £14,617 is transferred to reserves.

FIXED ASSETS

Details of movements in fixed assets during the year are set out in note 7 and 8 to the financial statements.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year and their interests in the company were as stated below.

	<u>Class of share</u>	<u>Number of shares</u>	
		<u>1995</u>	<u>1994</u>
T.J.Ingram	Ordinary shares	-	-
M Downes	Ordinary shares	-	-

The Company is a wholly owned subsidiary of Loadwell Transport Limited.

POLITICAL AND CHARITABLE CONTRIBUTIONS

During the year the company contributed £275 to charities .

AUDITORS

The company has by elective resolution dispensed with the obligation to appoint auditors annually in accordance with Section 386(1) of the Companies Act 1985. Therefore, the auditors, Hughes Allen, will be deemed to be reappointed for each succeeding financial year.

MEMBERS RIGHT TO A GENERAL MEETING

The company has passed an elective resolution to dispense with the laying of the financial statements before the company at general meeting. In accordance with the provisions of section 253 of the Companies Act 1985 the directors hereby notify you of your rights to require the laying of these financial statements and general reports before a general meeting. A written notice must be deposited at the company's registered office in accordance with the provisions of section 253(2) of the Companies Act 1985.

This report was approved by the Board of Directors and signed on its behalf on 25 March 1996.

S.N.Quinton

Secretary 

LOADWELL CONTRACTS LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS OF

LOADWELL CONTRACTS LIMITED

We have audited the financial statements on pages 4 to 13 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

Company law requires the directors to prepare financial statements for each financial year which 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 those financial statements, the directors are required to:

- a) select suitable accounting policies and then apply them consistently;
- b) make judgements and estimates that are reasonable and prudent;
- c) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- d) 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

LOADWELL CONTRACTS LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS OF

LOADWELL CONTRACTS LIMITED

(Continued)

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30th September 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Hughes Allen .

HUGHES ALLEN Chartered Accountants
Registered Auditor

9 Lower Brook Street,
Ipswich,
Suffolk, IP4 1AG.

25 March 1996

LOADWELL CONTRACTS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30th SEPTEMBER 1995

		Continuing operations	
		1995	15 months 1994
	Note	£	£
Turnover	2	860,129	557,590
Cost of sales		751,607	459,249
Gross profit		108,522	98,341
Administrative expenses		20,826	44,751
Operating profit		87,696	53,590
Interest receivable		2	2
Interest payable	3	(69,711)	(19,881)
Profit before taxation	4	17,987	33,711
Taxation	6	3,370	12,334
Profit for the year		14,617	21,377
Retained profits brought forward		140,877	119,500
Retained profits carried forward		£ 155,494	140,877

The company made no recognised gains or losses in 1995 or 1994 other than the profit for the year.

The notes on pages 6 to 13 form part of these financial statements.

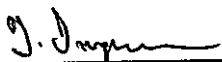
LOADWELL CONTRACTS LIMITED

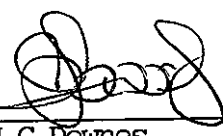
BALANCE SHEET

30th SEPTEMBER 1995

		<u>1995</u>		<u>1994</u>	
		£	£	£	£
<u>Fixed assets</u>					
Intangible assets	7		18,750		31,250
Tangible assets	8		2,052,038		293,873
			<u>2,070,788</u>		<u>325,123</u>
<u>Current assets</u>					
Debtors	9	31,499		105,855	
Cash at bank and in hand		67		65	
		<u>31,566</u>		<u>105,920</u>	
<u>Creditors (amounts due within one year)</u>	10	<u>(741,725)</u>		<u>(96,918)</u>	
<u>Net current liabilities</u>			<u>(710,159)</u>		<u>9,002</u>
<u>Total assets less current liabilities</u>			1,360,629		334,125
<u>Creditors (amounts due after one year)</u>	11		(1,087,927)		(105,501)
<u>Provision for liabilities and charges</u>	12		(47,208)		(17,747)
			<u>£ 225,494</u>		<u>210,877</u>
<u>Capital and reserves</u>					
Called up share capital	13		70,000		70,000
Profit and loss account			155,494		140,877
<u>Shareholders funds</u>	16		<u>£ 225,494</u>		<u>210,877</u>

APPROVED BY THE BOARD ON 25 March 1996 .


_____))
T.J. Ingram))


_____))
M.C. Downes))

LOADWELL CONTRACTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30th SEPTEMBER 1995

1. Accounting policies

The financial statements have been prepared in accordance with applicable accounting standards. The following accounting policies have been used in their preparation.

Accounting convention

These financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents amounts received and receivable on account of the company's sales net of value added tax, and is derived solely from the company's principal activities carried on in the United Kingdom.

Depreciation of intangible assets

Goodwill acquired for consideration is written off over a period of 10 years. The directors consider that this period does not exceed its economic life.

Depreciation

Depreciation has been charged in these financial statements to write off the following classes of fixed assets on the bases shown below:-

Plant and machinery	25%	Reducing balance
Fixtures and fittings	15%	Reducing balance
Motor vehicles	25%	Reducing balance
Portacabin	15%	Reducing balance

Deferred taxation

Deferred taxation is provided using the liability method except where, in the opinion of the directors, there is a reasonable probability that the corporation tax deferred will not become payable in the foreseeable future.

Leasing and hire purchase

Assets acquired under finance leases or hire purchase contracts are capitalised as tangible assets and depreciated over their useful lives. Finance charges and interest are taken to the profit and loss account in constant proportion to the remaining balance of capital repayments or net obligations outstanding.

LOADWELL CONTRACTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30th SEPTEMBER 1995

2.	<u>Turnover</u>	<u>1995</u> £	<u>1994</u> £
	Class of business:		
	Haulage sales	453,530	555,590
	Vehicle hire	406,599	-
	Container sales	-	2,000
		<u>£ 860,129</u>	<u>557,590</u>
3.	<u>Interest payable</u>	<u>1995</u> £	<u>1994</u> £
	On bank loans and overdrafts and on loans repayable in full within five years	2,739	2,341
	Hire purchase interest	66,972	17,540
		<u>£ 69,711</u>	<u>19,881</u>
4.	<u>Profit before taxation</u>	<u>1995</u> £	<u>1994</u> £
	Profit before taxation is stated after the following amounts:		
	Depreciation:		
	Owned assets	4,338	10,426
	Assets acquired under finance leases and hire purchase contracts	470,641	98,269
	Auditors' remuneration	1,500	1,500

LOADWELL CONTRACTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30th SEPTEMBER 1995

5. <u>Directors and employees</u>	<u>1995</u> £	<u>1994</u> £
Staff costs:		
Wages and salaries	128,584	166,026
Social security costs	12,958	16,859
	<u>£ 141,542</u>	<u>182,885</u>

The average number of persons employed during the year was as follows:

	<u>No.</u>	<u>No.</u>
Drivers and administration	5	7
Directors	2	3
	<u>7</u>	<u>10</u>

The directors received no remuneration from the company during the year.

6. <u>Taxation</u>	<u>1995</u> £	<u>1994</u> £
The taxation charge based on the profit for the year comprises:		
U.K. corporation tax at 25% (1994: 25%)	-	1,862
Transfer to deferred taxation	29,461	10,472
Receipt in respect of group relief	(27,195)	-
	<u>2,266</u>	<u>12,334</u>
Under provision in previous years	1,104	-
	<u>£ 3,370</u>	<u>12,334</u>

LOADWELL CONTRACTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30th SEPTEMBER 1995

7. <u>Intangible fixed assets: goodwill</u>	<u>Goodwill</u> £
<u>Cost:</u>	
At 1st October 1994 and at 30th September 1995	<u>125,000</u>
<u>Amortisation:</u>	
At 1st October 1994	93,750
Charge for year	<u>12,500</u>
At 30th September 1995	<u>106,250</u>
<u>Net book value at 30th September 1995</u>	<u>£ 18,750</u>
<u>Net book value at 1st October 1994</u>	<u>£ 31,250</u>

LOADWELL CONTRACTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30th SEPTEMBER 1995

8. Tangible fixed assets

<u>Cost:</u>	<u>Brought forward</u> £	<u>Additions</u> £	<u>Disposals</u> £	<u>Carried forward</u> £
Plant and machinery	20,848	-	-	20,848
Fixtures and fittings	4,313	-	-	4,313
Motor vehicles	379,228	2,306,970	(101,150)	2,585,048
Portacabin	11,214	-	-	11,214
	<u>£ 415,603</u>	<u>£ 2,306,970</u>	<u>£ (101,150)</u>	<u>£ 2,621,423</u>

<u>Depreciation:</u>	<u>Brought forward</u> £	<u>Charge for year</u> £	<u>On disposals</u> £	<u>Carried forward</u> £
Plant and machinery	17,696	788	-	18,484
Fixtures and fittings	3,394	138	-	3,532
Motor vehicles	91,816	473,695	(27,324)	538,187
Portacabin	8,824	358	-	9,182
	<u>£ 121,730</u>	<u>£ 474,979</u>	<u>£ (27,324)</u>	<u>£ 569,385</u>

<u>Net book value:</u>	<u>Brought forward</u> £	<u>Carried forward</u> £
Plant and machinery	3,152	2,364
Fixtures and fittings	919	781
Motor vehicles	287,412	2,046,861
Portacabin	2,390	2,032
	<u>£ 293,873</u>	<u>£ 2,052,038</u>

The net book values of fixed assets, as stated above, include the following amounts in respect of assets held under finance leases or hire purchase contracts:

	<u>1995</u> £	<u>1994</u> £
Motor vehicles	<u>2,037,370</u>	<u>274,756</u>
	<u>£ 2,037,370</u>	<u>£ 274,756</u>

Net obligations under finance leases and hire purchase contracts are secured on the assets acquired.

LOADWELL CONTRACTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30th SEPTEMBER 1995

9.	<u>Debtors</u>	<u>1995</u> £	<u>1994</u> £
	Trade debtors	41	29
	Amounts owed by group company	10,953	87,890
	Prepayments and accrued income	20,505	17,936
		<u>£ 31,499</u>	<u>105,855</u>
10.	<u>Creditors (amounts due within one year)</u>	<u>1995</u> £	<u>1994</u> £
	Trade creditors	16	632
	Amounts owed to subsidiary company	1,758	-
	Amounts owed to other group company	154,412	-
	Taxes and social security costs	4,115	5,759
	Net obligations under finance leases and hire purchase contracts	554,625	83,280
	Other creditors	3,076	2,130
	Accruals and deferred income	344	234
		<u>718,346</u>	<u>92,035</u>
	Bank loans and overdrafts	23,379	3,021
	Corporation tax	-	1,862
		<u>£ 741,725</u>	<u>96,918</u>

The bank overdraft is secured by a fixed and floating charge over the company's assets including goodwill and other intangible assets.
There is also an unlimited guarantee given by the holding company.

11.	<u>Creditors (amounts due after one year)</u>	<u>1995</u> £	<u>1994</u> £
	Net obligations under finance leases and hire purchase contracts	1,087,927	105,501
		<u>£ 1,087,927</u>	<u>105,501</u>

LOADWELL CONTRACTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30th SEPTEMBER 1995

12. <u>Provisions for liabilities and charges</u>	<u>1995</u> £	<u>1994</u> £
At 1st October 1994	17,747	7,275
Transfer from profit and loss account for year	29,461	10,472
At 30th September 1995	<u>£ 47,208</u>	<u>17,747</u>

Deferred tax is calculated at 25% (1994: 25%) in respect of the following timing differences:

	<u>Fully Provided</u>	
	<u>1995</u> £	<u>1994</u> £
Capital allowances	47,208	17,747
	<u>£ 47,208</u>	<u>17,747</u>

13. <u>Share capital</u>	<u>1995</u> £	<u>1994</u> £
Authorised: Ordinary shares of £1 each	250,000	250,000
	<u>£ 250,000</u>	<u>250,000</u>
 Allotted, called up and fully paid: Ordinary shares of £1 each	 70,000	 70,000
	<u>£ 70,000</u>	<u>70,000</u>

14. <u>Capital commitments</u>	<u>1995</u> £	<u>1994</u> £
Contracted for but not provided in the financial statements		<u>- 1,315,500</u>

The directors were contracted to buy 22 new tractor units in early 1995.

LOADWELL CONTRACTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30th SEPTEMBER 1995

15. Ultimate holding company

The ultimate holding company is Loadwell Transport Limited, a company incorporated in Great Britain.

16. Movement in shareholders' funds

	<u>1995</u> £	<u>1994</u> £
Opening shareholders' funds	210,877	189,500
Retained profit for the year	<u>14,617</u>	<u>21,377</u>
Closing shareholders' funds	<u><u>225,494</u></u>	<u><u>210,877</u></u>