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Company Number: 2108142

LOADWELL CONTRACTS LIMITED

ANNUAL REPORT

YEAR ENDED 30 SEPTEMBER 1998

PANNELL KERR FORSTER
Chartered Accountants



LOADWELL CONTRACTS LIMITED

COMPANY INFORMATION

Directors	T.J. Ingram M.C. Downes
Secretary	S.N. Quinton
Company Number	2108142
Registered Office	Fagbury Road The Dock Felixstowe Suffolk
Auditors	Pannell Kerr Forster Chartered Accountants Kerr House 19/23 Fore Street Ipswich Suffolk IP4 1JW

LOADWELL CONTRACTS LIMITED

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LOADWELL CONTRACTS LIMITED
DIRECTORS' REPORT
YEAR ENDED 30 SEPTEMBER 1998

The directors submit their report and the financial statements for the year ended 30 September 1998.

Principal activity

The principal activity of the company during the year was that of road haulage contractor.

Directors

The directors who served during the year and their interests in the company's issued share capital at the balance sheet date and at the start of the year (or date of appointment, if later) were:

	Ordinary £1 shares	
	1998	1997
T.J. Ingram	-	-
M.C. Downes	-	-

At the year end T J Ingram owned 43,718 (1997 - 43,718) £1 ordinary shares in the ultimate parent company, Loadwell Transport Limited.

At the year end M C Downes owned 10,000 (1997 - 10,000) £1 ordinary shares in the ultimate parent company, Loadwell Transport Limited.

During the year, no right to subscribe for shares or debentures in the company was granted nor exercised by any of the company's directors.

Year 2000 compliance

The directors have assessed the risks and uncertainties of the year 2000 problem in respect of computer hardware and software. They consider them to be immaterial in respect to the company, suppliers and other relevant parties, and as such any costs connected to this problem are, in the opinion of the directors, expected to be minimal.


Auditors

The auditors, Pannell Kerr Forster, are deemed to be reappointed in accordance with section 386 of the Companies Act 1985 by virtue of an elective resolution passed by the members on 6th April 1992.

Basis of preparation

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the board


S.N. Quinton
Secretary
19 April 1999

LOADWELL CONTRACTS LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES

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:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 proper accounting records which 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 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.

**AUDITORS' REPORT TO THE SHAREHOLDERS OF
LOADWELL CONTRACTS LIMITED**

We have audited the financial statements on pages 4 to 9 which have been prepared under the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards. 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 30 September 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Pannell Kerr Forster

PANNELL KERR FORSTER
Chartered Accountants
Registered Auditors

Ipswich
19 April 1999

LOADWELL CONTRACTS LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 30 SEPTEMBER 1998

	Notes	1998 £	1997 £
TURNOVER	2	42,317	748,240
Cost of sales		(47,708)	(506,005)
GROSS (LOSS)/PROFIT		(5,391)	242,235
Administrative expenses		1,322	(12,681)
OPERATING (LOSS)/PROFIT	3	(4,069)	229,554
Profit on disposal of fixed assets		318,033	150,819
		313,964	380,373
Interest receivable and similar items		3	2
Interest payable and similar items		(67,063)	(124,592)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		246,904	255,783
TAXATION		(49,849)	5,048
PROFIT FOR THE FINANCIAL YEAR		197,055	260,831

All amounts relate to continuing operations.

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

LOADWELL CONTRACTS LIMITED

BALANCE SHEET 30 SEPTEMBER 1998

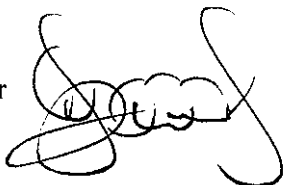
	Notes	1998 £	1997 £
FIXED ASSETS			
Tangible	4	106,355	696,561
CURRENT ASSETS			
Debtors	5	738,628	300,437
Cash at bank and in hand		-	70
		<u>738,628</u>	<u>300,507</u>
CREDITORS: amounts falling due within one year	6	<u>(85,035)</u>	<u>(295,407)</u>
NET CURRENT ASSETS		<u>653,593</u>	<u>5,100</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>759,948</u>	<u>701,661</u>
CREDITORS: amounts falling due after more than one year	7	(10,417)	(119,017)
PROVISIONS FOR LIABILITIES AND CHARGES	9	(15,042)	(45,210)
NET ASSETS		<u><u>734,489</u></u>	<u><u>537,434</u></u>
CAPITAL AND RESERVES			
Called up share capital	10	70,000	70,000
Profit and loss account	11	664,489	467,434
SHAREHOLDERS' FUNDS	12	<u><u>734,489</u></u>	<u><u>537,434</u></u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the board on 19 April 1999.

Signed on behalf of the board of directors

M C Downes Director



LOADWELL CONTRACTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 1998

1 ACCOUNTING POLICIES

(a) Basis of preparation of financial statements

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

(b) Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, net of value added tax and trade discounts.

(c) Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

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

(d) Finance leases and hire purchase

Assets acquired under finance leases or hire purchase are treated as tangible fixed assets and depreciation is provided accordingly. The value of future rentals is shown as a liability and the interest element of rental obligations is charged to the profit and loss account over the period of the lease on a straight line basis.

(e) Deferred taxation

Provision is made for deferred tax using the liability method to the extent that it is probable that a liability will crystallise.

2 TURNOVER

All turnover arose within the United Kingdom.

3 OPERATING (LOSS)/PROFIT

The operating (loss)/profit is stated after charging:

	1998	1997
	£	£
Amortisation of intangible assets	-	6,250
Depreciation of tangible fixed assets:		
- owned by the company	14,641	60,495
- held under finance lease or hire purchase contracts	17,599	236,653
Audit fees	1,800	2,000
	<u> </u>	<u> </u>

No director received any emoluments (1997 - £NIL).

LOADWELL CONTRACTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 1998

4 TANGIBLE FIXED ASSETS

	Portacabin £	Plant & machinery fixtures & fittings £	Motor vehicles £	Total £
Cost				
At 1 October 1997	11,214	34,161	1,508,348	1,553,723
Disposals	-	(22,411)	(1,262,200)	(1,284,611)
At 30 September 1998	11,214	11,750	246,148	269,112
Depreciation				
At 1 October 1997	9,746	24,768	822,648	857,162
Charge for the year	220	2,291	29,729	32,240
On disposals	-	(21,249)	(705,396)	(726,645)
At 30 September 1998	9,966	5,810	146,981	162,757
Net book amount				
At 30 September 1998	1,248	5,940	99,167	106,355
At 30 September 1997	1,468	9,393	685,700	696,561

The net book amounts of motor vehicles above include £84,287 (1997 - £651,955) in respect of assets held under finance leases or hire purchase contracts.

5 DEBTORS

	1998 £	1997 £
Amounts due from group undertakings	738,503	298,492
Other debtors	125	1,945
	<u>738,628</u>	<u>300,437</u>

LOADWELL CONTRACTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 1998

6 CREDITORS:

Amounts falling due within one year

	1998	1997
	£	£
Bank loans and overdrafts	-	11,273
Corporation tax	62,743	-
Other tax and social security	-	699
Net obligations under finance lease and hire purchase contracts (note 8)	19,266	281,700
Other creditors	3,026	1,735
	<u>85,035</u>	<u>295,407</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, Loadwell Transport Limited.

7 CREDITORS:

Amounts falling due after more than one year

	1998	1997
	£	£
Net obligations under finance lease and hire purchase contracts (note 8)	<u>10,417</u>	<u>119,017</u>

8 FINANCE LEASES

	1998	1997
	£	£
Within one year	19,266	281,700
Between one and five years	10,417	119,017
	<u>29,683</u>	<u>400,717</u>

Finance lease and hire purchase creditors are secured on the assets concerned.

9 PROVISIONS FOR LIABILITIES AND CHARGES

	£
Deferred tax	
At 1 October 1997	45,210
Utilised	(30,168)
	<u>15,042</u>
At 30 September 1998	

LOADWELL CONTRACTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 1998

10 SHARE CAPITAL

	Authorised £	Allotted, called up and fully paid No.	£
At 1 October 1997 and 30 September 1998 Ordinary shares of £1 each	250,000	70,000	70,000

11 RESERVES

Profit and loss account	£
At 1 October 1997	467,434
Profit for the year	197,055
At 30 September 1998	664,489

12 SHAREHOLDERS' FUNDS

	1998 £	1997 £
Shareholders' funds at 1 October 1997	537,434	276,603
Profit for the year	197,055	260,831
Shareholders' funds at 30 September 1998	734,489	537,434

13 TRANSACTIONS WITH RELATED PARTIES

In line with FRS 8, transactions with group companies which are 90% or more within the group are not disclosed as consolidated accounts are publicly available. See note 14.

14 PARENT UNDERTAKINGS AND CONTROLLING PARTIES

The parent undertaking of the largest and smallest groups for which consolidated accounts are prepared is Loadwell Transport Limited. Consolidated accounts are available from Companies House, Cardiff, CF4 3UZ.

In the opinion of the directors this is the company's ultimate parent company and ultimate controlling party.

Loadwell Transport Limited is ultimately controlled by T.J.Ingram.