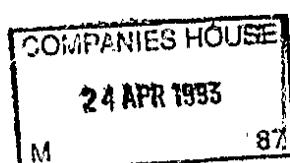


LOADWELL CONTRACTS LIMITED

COMPANY REGISTRATION No. 2108142

30TH JUNE 1992



ANNUAL REPORT
and
FINANCIAL STATEMENTS

LOADWELL CONTRACTS LIMITED
INDEX TO THE FINANCIAL STATEMENTS
YEAR ENDED 30TH JUNE 1992

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LOADWELL CONTRACTS LIMITED

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 30TH JUNE 1992

The directors present their annual report and the financial statements for the year ended 30th June 1992.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The company's principal activity during the year remained that of haulage work. The directors do not expect this to change in the near future. The company has had a satisfactory year and the directors are pleased with the results.

RESULTS AND DIVIDENDS

The results for the year are set out in detail on page 3. The directors do not recommend payment of a dividend. It is proposed that the retained profit of £36,488 is transferred to reserves.

FIXED ASSETS

Details of movements in fixed assets during the year are set out in note 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>1992</u>	<u>1991</u>
T.J.Ingram	Ordinary shares	-	-
R.J.Good	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 £250 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 30th March 1993.

R.J.Good

Secretary

LOADWELL CONTRACTS LIMITED

AUDITORS' REPORT TO THE MEMBERS OF

LOADWELL CONTRACTS LIMITED

We have audited the financial statements on pages 3 to 10 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 30th June 1992 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



HUGHES ALLEN Chartered Accountants
Registered Auditor

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

6 April 1993.

LOADWELL CONTRACTS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30TH JUNE 1992

		Year to 30th June 1992	15 months to 30th June 1991
	Note	£	£
Turnover	2	424,257	463,920
Cost of sales		<u>348,274</u>	<u>368,504</u>
Gross profit		75,983	95,416
Administrative expenses		<u>17,175</u>	<u>30,026</u>
Operating profit		58,808	65,390
Interest receivable		118	714
Interest payable	3	<u>9,278</u>	<u>24,885</u>
Profit before taxation	4	49,648	41,219
Taxation	6	<u>13,160</u>	<u>15,509</u>
Profit for the year		36,488	25,710
Retained profits brought forward		<u>61,533</u>	<u>35,823</u>
Retained profits carried forward		<u>£ 98,021</u>	<u>61,533</u>

The notes on pages 5 to 10 form part of these financial statements.

LOADWELL CONTRACTS LIMITED

BALANCE SHEET

30TH JUNE 1992

		<u>1992</u>	<u>1991</u>
	Note	£	£
<u>Fixed assets</u>			
Intangible assets	7	59,375	71,875
Tangible assets	8	90,357	137,101
		<u>149,732</u>	<u>208,976</u>
<u>Current assets</u>			
Stocks	9	21,535	31,589
Debtors	10	132,725	128,199
Cash at bank and in hand		62	5,305
		<u>154,322</u>	<u>165,093</u>
<u>Creditors (amounts due within one year)</u>	11	<u>(114,696)</u>	<u>(188,423)</u>
<u>Net current assets</u>		<u>39,626</u>	<u>(23,330)</u>
<u>Total assets less current liabilities</u>		<u>189,358</u>	<u>185,646</u>
<u>Creditors (amounts due after one year)</u>	12	<u>(2,500)</u>	<u>(21,828)</u>
<u>Provision for liabilities and charges</u>	13	<u>(18,837)</u>	<u>(32,285)</u>
		<u>£ 168,021</u>	<u>131,533</u>
<u>Capital and reserves</u>			
Called up share capital	14	70,000	70,000
Profit and loss account		98,021	61,533
		<u>168,021</u>	<u>131,533</u>

APPROVED BY THE BOARD ON 30th March 1993

R.J. Good

)
)
) Directors
)
)

T.J. Ingram

ICEWELL CONTRACTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 1992

1. Accounting policies

The financial statements have been prepared in accordance with applicable accounting standards. The company has implemented Financial Reporting Standard number one, in accordance with which it is exempt from producing a cashflow statement. The following accounting policies have been used in drawing up the financial statements:

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.

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

Stock

Stock is stated at the lower of cost and net realisable value.

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 obtained under finance leases and hire purchase contracts are capitalised at their fair value at the inception of the contract as tangible assets, and depreciated in accordance with the policy stated above. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the instalments paid is charged to the profit and loss account so as to produce a constant periodic rate of charge on a straight line basis. Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

LOADWELL CONTRACTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 1992

2.	<u>Turnover</u>	<u>1992</u> £	<u>1991</u> £
	Class of business:		
	Haulage sales	419,765	463,920
	Vehicle hire	1,000	-
	Container sales	3,492	-
		<u>£ 424,257</u>	<u>463,920</u>
3.	<u>Interest payable</u>	<u>1992</u> £	<u>1991</u> £
	On bank loans and overdrafts and on loans repayable in full within five years	2,424	8,827
	Hire purchase interest	6,854	16,058
		<u>£ 9,278</u>	<u>24,885</u>
4.	<u>Profit before taxation</u>	<u>1992</u> £	<u>1991</u> £
	Profit before taxation is stated after the following amounts:		
	Depreciation:		
	Owned assets	6,112	33,218
	Assets acquired under finance leases and hire purchase contracts	14,941	22,625
	Auditors' remuneration	3,000	6,220

LOWELL CONTRACTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 1992

5.	<u>Directors and employees</u>	<u>1992</u> £	<u>1991</u> £
	Staff costs:		
	Wages and salaries	126,807	100,068
	Social security costs	13,024	10,364
		<u>£ 139,831</u>	<u>110,432</u>
	The average number of persons employed during the year was as follows:	<u>No.</u>	<u>No.</u>
	Drivers and administration	7	7
	Directors	3	3
		<u>10</u>	<u>10</u>
6.	<u>Taxation</u>	<u>1992</u> £	<u>1991</u> £
	The taxation charge based on the profit for the year comprises:		
	U.K. corporation tax at 29% (1991: 34%)	28,757	27,500
	Transfer from deferred taxation	(13,448)	(11,991)
		<u>15,309</u>	<u>15,509</u>
	Over provision in previous years	(2,149)	-
		<u>£ 13,160</u>	<u>15,509</u>
7.	<u>Intangible fixed assets: goodwill</u>	<u>Goodwill</u> £	
	Cost:		
	At 1st July 1991 and at 30th June 1992	<u>125,000</u>	
	Amortisation:		
	At 1st July 1991	53,125	
	Charge for year	<u>12,500</u>	
	At 30th June 1992	<u>65,625</u>	
	Net book value at 30th June 1992	<u>£ 59,375</u>	
	Net book value at 1st July 1991	<u>£ 71,875</u>	

LOADWELL CONTRACTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 1992

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	202,701	36,778	(116,700)	122,779
Portacabin	11,214	-	-	11,214
	<u>239,076</u>	<u>£ 36,778</u>	<u>£ (116,700)</u>	<u>159,154</u>
 <u>Depreciation:</u>	 <u>Brought forward</u> £	 <u>Charge for year</u> £	 <u>On disposals</u> £	 <u>Carried forward</u> £
Plant and machinery	12,697	2,038	-	14,735
Fixtures and fittings	2,748	235	-	2,983
Motor vehicles	79,388	18,169	(54,231)	43,326
Portacabin	7,142	611	-	7,753
	<u>101,975</u>	<u>£ 21,053</u>	<u>£ (54,231)</u>	<u>68,797</u>
 <u>Net book value:</u>	 <u>Brought forward</u> £			 <u>Carried forward</u> £
Plant and machinery	8,151			6,113
Fixtures and fittings	1,565			1,330
Motor vehicles	123,313			79,453
Portacabin	4,072			3,461
	<u>£ 137,101</u>			<u>£ 90,357</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>1992</u> £	<u>1991</u> £
Motor vehicles	44,824	59,766
	<u>£ 44,824</u>	<u>59,766</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 JUNE 1992

9.	<u>Stocks</u>	<u>1992</u> £	<u>1991</u> £
	Goods for resale	21,535	31,589
		<u>£ 21,535</u>	<u>31,589</u>
10.	<u>Debtors</u>	<u>1992</u> £	<u>1991</u> £
	Trade debtors	69,420	49,920
	Amounts owed by related company	55,703	71,626
	Prepayments and accrued income	7,602	6,653
		<u>£ 132,725</u>	<u>128,199</u>
11.	<u>Creditors (amounts due within one year)</u>	<u>1992</u> £	<u>1991</u> £
	Trade creditors	31,172	92,000
	Other taxes and social security costs	4,397	3,842
	Net obligations under finance leases and hire purchase contracts	19,329	22,438
	Other creditors	-	1,680
	Accruals and deferred income	317	4,986
		<u>55,215</u>	<u>124,946</u>
	Bank loans and overdrafts	30,723	19,153
	Corporation tax	28,758	44,324
		<u>£ 114,696</u>	<u>188,423</u>

The bank overdraft is secured by a fixed and floating charge over the company's assets and also a cross-guarantee given by the holding company.

12.	<u>Creditors (amounts due after one year)</u>	<u>1992</u> £	<u>1991</u> £
	Net obligations under finance leases and hire purchase contracts	2,500	21,828
		<u>£ 2,500</u>	<u>21,828</u>

LOADWELL CONTRACTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 1992

13. <u>Provisions for liabilities and charges</u>	<u>1992</u> <u>£</u>	<u>1991</u> <u>£</u>
At 1st July 1991	32,285	44,276
Transferred to profit and loss account	(13,448)	(11,991)
At 30th June 1992	<u>£ 18,837</u>	<u>32,285</u>

Deferred tax is calculated at 33% (1991: 34%) in respect of the following timing differences:

	<u>1992</u> <u>£</u>	<u>Fully Provided</u> <u>1991</u> <u>£</u>
Capital allowances	18,837	32,285
	<u>£ 18,837</u>	<u>32,285</u>

14. <u>Share capital</u>	<u>1992</u> <u>£</u>	<u>1991</u> <u>£</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>

15. Ultimate holding company

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