

Financial Statements

Abbey Logistics Group Limited

(formerly Abbey Road Tanks Limited)

For the year ended 30 June 2011

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Company Information

Directors	S J Lucy M A Lucy H Conroy (resigned 1 December 2010) D Coulson S Granite S Farrell (appointed 6 January 2011)
Company secretary	P Jameson
Company number	02484251
Registered office	Brasenose Road Millers Bridge Bootle Merseyside L20 8HE
Auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor Royal Liver Building Liverpool L3 1PS
Bankers	Nat West Bank 22 Castle Street Liverpool L2 OUP
Solicitors	DWF Solicitors LLP 5 St Paul's Square Old Hall Street Liverpool L3 9AE

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Directors' report

For the year ended 30 June 2011

The directors present their report and the financial statements for the year ended 30 June 2011

Directors' responsibilities statement

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 judgments 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 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.

Principal activities

The company is principally engaged in the provision of logistics services in the UK and Europe.

Business review

The Board is pleased with the financial performance to June 2011 considering the global economic climate and the substantial non-recurring costs which has been accounted for in the current year. These non-recurring costs include £180,000 in relation to the settlement of Chairman Harry Conroy's employment and entitlement to shares and the issuing of new shares to two of the existing company Directors costing the company £127,000.

The company has continued its strategy to diversify into new areas of logistics with the acquisition of bulk powder Transport Company, RH Stevens Tankers Ltd / Macclesfield Transport Ltd which completed on 1st August 2011.

The strategy of the business is unchanged from 2010 which is to become a 'European Logistics Provider' focussing on the transportation of Bulk Liquids, Bulk Powders and Palletised Goods in the UK and Europe, compared with our previous focus of being a UK Bulk Liquid Foodstuffs haulier.

During the financial year the company carried out a rebranding project which resulted in a change of name to 'Abbey Logistics Group Ltd' which better reflects the services the company now offers (changed from Abbey Road Tanks Limited on 20 April 2011). A new corporate image was designed along with our new slogan 'on the road to a greener future' which is supported by an annual 30 point environmental action plan.

Directors' report

For the year ended 30 June 2011

The Board expects that the year ending June 2012 will show further levels of growth, mainly generated from new markets such as Palletised, European and Bulk Powder transport

Results

The profit for the year, after taxation, amounted to £510,355 (2010 - £433,778)

Directors

The directors who served during the year were

S J Lucy
S Granite
H Conroy (resigned 1 December 2010)
D Coulson
M A Lucy
S Farrell (appointed 6 January 2011)

Principal risks and uncertainties

The company uses various financial instruments, these include loans, cash and various items, such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations.

The existence of these financial instruments exposes the company to a number of financial risks, which are described in more detail below.

The main risks arising from the company's financial instruments are cash flow interest rate risk, credit risk and liquidity risk. The directors review and agree policies for managing each of these risks and they are summarised below. The policies have remained unchanged from previous years.

Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Short-term flexibility is achieved by invoice discounting facilities.

The maturity of borrowings is set out in the notes to the financial statements.

Credit risk

The company's principal financial assets are cash and trade debtors. The credit risk associated with cash is limited. The principal credit risk arises therefore from its trade debtors.

In order to manage credit risk the directors set limits for customers based on a combination of payment history and third party credit references. Credit limits are reviewed by the credit controller on a regular basis in conjunction with debt ageing and collection history.

Interest rate risk

The company finances its operations through a mixture of retained profits and bank borrowings. The company exposure to interest rate fluctuations on its borrowings is managed by the use of both fixed rate and floating rate facilities.

Directors' report

For the year ended 30 June 2011

Employee involvement

A variety of approaches are adopted, aimed at encouraging the involvement of employees in the effective communication and consultation and the contributions of productive ideas at all levels

Disabled employees

It is company policy to give full and fair consideration to the employment of disabled persons where they have the necessary abilities and skills for the position, and wherever possible the company continues to employ persons who become disabled whilst they are with the company. The company ensures that training, career development, and promotion opportunities for disabled persons are, as far as possible, identical to those of other employees who are not disabled.

Provision of information to auditor

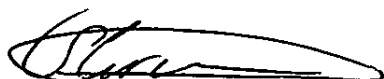
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

This report was approved by the board and signed on its behalf



S Granite
Director

Date 3 February 2012



Independent auditor's report to the members of Abbey Logistics Group Limited (formerly Abbey Road Tanks Limited)

We have audited the financial statements of Abbey Logistics Group Limited (formerly Abbey Road Tanks Limited) for the year ended 30 June 2011, which comprise the Profit and loss account, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 Auditor's 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 auditor

As explained more fully in the Directors' responsibilities statement, 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

A description of the scope of an audit of financial statements is provided on the Auditing Practices Board's website at www.frc.org.uk/apb/scope/private.cfm.

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 30 June 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, 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.



Independent auditor's report to the members of Abbey Logistics Group Limited (formerly Abbey Road Tanks Limited)

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

A handwritten signature in black ink, appearing to read "Carl Williams", followed by a long horizontal flourish.

Carl Williams (Senior statutory auditor)

for and on behalf of

Grant Thornton UK LLP

Chartered Accountants

Statutory Auditor

Liverpool

13 February 2012

Profit and loss account

For the year ended 30 June 2011

	Note	£	2011 £	2010 £
Turnover	1,2		21,776,706	18,182,223
Cost of sales			<u>(18,371,625)</u>	<u>(15,327,321)</u>
Gross profit			3,405,081	2,854,902
Administrative expenses - recurring		(2,142,126)	<u>(2,142,126)</u>	<u>(1,905,659)</u>
Operating profit (after recurring administrative expenses)			1,262,955	949,243
Administrative expenses - exceptional		(307,153)	<u>(307,153)</u>	-
Total administrative expenses		<u>(2,449,279)</u>		
Operating profit	3		<u>955,802</u>	<u>949,243</u>
Interest payable and similar charges	6		<u>(300,484)</u>	<u>(302,165)</u>
Profit on ordinary activities before taxation			655,318	647,078
Tax on profit on ordinary activities	7		<u>(144,963)</u>	<u>(213,300)</u>
Profit for the financial year	16		<u>510,355</u>	<u>433,778</u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2011 or 2010 other than those included in the Profit and loss account

The notes on pages 9 to 21 form part of these financial statements

Balance sheet

As at 30 June 2011

	Note	£	2011 £	£	2010 £
Fixed assets					
Intangible assets	8		1,667		4,167
Tangible assets	9		9,342,812		8,205,777
			<u>9,344,479</u>		<u>8,209,944</u>
Current assets					
Stocks	10	218,408		186,609	
Debtors	11	4,318,327		3,218,384	
Cash in hand		637		130	
			<u>4,537,372</u>	<u>3,405,123</u>	
Creditors. amounts falling due within one year	12	(7,039,282)		(5,430,509)	
Net current liabilities			<u>(2,501,910)</u>		<u>(2,025,386)</u>
Total assets less current liabilities			<u>6,842,569</u>		<u>6,184,558</u>
Creditors amounts falling due after more than one year	13		(3,581,003)		(3,237,033)
Provisions for liabilities					
Deferred tax	14		(837,000)		(877,000)
Net assets			<u>2,424,566</u>		<u>2,070,525</u>
Capital and reserves					
Called up share capital	15		96,298		90,216
Share premium account	16		73,227		-
Capital redemption reserve	16		60,144		60,144
Other reserves	16		-		92,961
Profit and loss account	16		2,194,897		1,827,204
Shareholders' funds	17		<u>2,424,566</u>		<u>2,070,525</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 3 February 2012



S Granite
Director

The notes on pages 9 to 21 form part of these financial statements

Cash flow statement

For the year ended 30 June 2011

	Note	2011 £	2010 £
Net cash flow from operating activities	19	2,116,249	1,882,733
Returns on investments and servicing of finance	20	(300,484)	(302,165)
Taxation		(132,963)	(203,300)
Capital expenditure and financial investment	20	(139,833)	(94,540)
Equity dividends paid		(193,370)	(100,000)
Cash inflow before financing		1,349,599	1,182,728
Financing	20	(14,766)	(1,820,921)
Increase/(Decrease) in cash in the year		1,334,833	(638,193)

Reconciliation of net cash flow to movement in net funds/debt

For the year ended 30 June 2011

	2011 £	2010 £
Increase/(Decrease) in cash in the year	1,334,833	(638,193)
Cash outflow from decrease in debt and lease financing	94,075	1,820,921
Change in net debt resulting from cash flows	1,428,908	1,182,728
New finance leases	(2,707,093)	(1,630,360)
Movement in net debt in the year	(1,278,185)	(447,632)
Net debt at 1 July 2010	(6,479,383)	(6,031,751)
Net debt at 30 June 2011	(7,757,568)	(6,479,383)

The notes on pages 9 to 21 form part of these financial statements

Notes to the financial statements

For the year ended 30 June 2011

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

The policies are set out below and remain unchanged from the previous year

1.2 Going concern

The financial statements have been prepared on the going concern basis, which principally assumes that the company will be able to meet its liabilities for the foreseeable future

The directors have prepared profit forecasts for the period ended 31 December 2012. The company has recently received a loan of £900,000 from the directors' pension scheme. In addition the invoice discounting facility has recently been renewed.

Notwithstanding the net current liabilities, on the basis of the above, the directors consider that the going concern basis is appropriate.

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts. Income is recognised at the point at which goods are collected from customers.

1.4 Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the Profit and loss account over its estimated economic life (2 years).

1.5 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 of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant and machinery	-	25% - 33% straight line
Motor vehicles	-	20% - 33% straight line
Fixtures and fittings	-	20% straight line
Tractors and tanks	-	7% - 25% straight line

Notes to the financial statements

For the year ended 30 June 2011

1. Accounting policies (continued)

1.6 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.7 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

1.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.9 Current taxation

The current tax charge is based on the profit for the year and is measured at the amounts expected to be paid based on the tax rates and laws substantively enacted by the balance sheet date. Current and deferred tax is recognised in the profit and loss account for the period except to the extent that it is attributable to a gain or loss that is or has been recognised directly in the statement of the total recognised gains and losses.

1.10 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

Notes to the financial statements

For the year ended 30 June 2011

1. Accounting policies (continued)

1.11 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the Profit and loss account

1.12 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year

1.13 Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity

1.14 Share options

Share options are recognised on the basis that the directors to which the options were awarded are likely to remain in service at the vesting date. The fair value of these shares is based upon the profitability of the company for the three years preceeding the option being granted

2. Turnover

The turnover and profit on ordinary activities before taxation is attributable to one activity and one geographical location

All turnover arose within the United Kingdom

Notes to the financial statements

For the year ended 30 June 2011

3. Operating profit

The operating profit is stated after charging/(crediting)

	2011	2010
	£	£
Amortisation - intangible fixed assets	2,500	833
Depreciation of tangible fixed assets		
- owned by the company	744,570	513,044
- held under finance leases	877,560	808,364
Auditors' remuneration	15,000	14,500
Operating lease rentals		
- other operating leases	156,115	111,142
Difference on foreign exchange	2,973	8,742
Profit/(loss) on sales of fixed assets	87,761	(4,762)

4. Staff costs

Staff costs, including directors' remuneration, were as follows

	2011	2010
	£	£
Wages and salaries	6,987,735	5,724,803
Social security costs	657,741	527,592
Other pension costs	19,360	19,848
	7,664,836	6,272,243

The average monthly number of employees, including the directors, during the year was as follows

	2011	2010
	No	No
Administration and haulage	266	225

Notes to the financial statements

For the year ended 30 June 2011

5. Directors' remuneration

	2011 £	2010 £
Emoluments	476,659	303,372
Amounts receivable under long-term incentive schemes	(42,253)	34,860
Company pension contributions to defined contribution pension schemes	9,151	7,865

During the year retirement benefits were accruing to 4 directors (2010 - 4) in respect of defined contribution pension schemes

The highest paid director received remuneration of £146,415 (2010 - £67,253)

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £3,692 (2010 - £NIL)

6. Interest payable

	2011 £	2010 £
On bank loans and overdrafts	30,640	11,862
On other loans	5,923	6,162
On finance leases and hire purchase contracts	263,921	284,141
	300,484	302,165

7. Taxation

	2011 £	2010 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	185,000	133,000
Adjustments in respect of prior periods	(37)	(16,700)
Total current tax	184,963	116,300
Deferred tax (see note 14)		
Origination and reversal of timing differences	(40,000)	97,000
Tax on profit on ordinary activities	144,963	213,300

Notes to the financial statements

For the year ended 30 June 2011

7. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2010 - lower than) the standard rate of corporation tax in the UK of 26% (2010 - 28%) The differences are explained below

	2011 £	2010 £
Profit on ordinary activities before tax	655,318	647,078
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26% (2010 - 28%)	170,383	181,182
Effects of		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	17,461	17,715
Depreciation for year in excess of capital allowances	21,396	(49,028)
Adjustments to tax charge in respect of prior periods	(37)	(16,700)
Tax deduction arising from exercise of employee options	(24,240)	-
Marginal rate of tax	-	(16,869)
Current tax charge for the year (see note above)	184,963	116,300

8. Intangible fixed assets

	Goodwill £
Cost	
At 1 July 2010 and 30 June 2011	5,000
Amortisation	
At 1 July 2010	833
Charge for the year	2,500
At 30 June 2011	3,333
Net book value	
At 30 June 2011	1,667
At 30 June 2010	4,167

Notes to the financial statements

For the year ended 30 June 2011

9. Tangible fixed assets

	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Tractors and tanks £	Total £
Cost					
At 1 July 2010	447,186	77,488	80,977	16,061,145	16,666,796
Additions	-	15,255	-	2,900,171	2,915,426
Disposals	-	-	-	(759,423)	(759,423)
At 30 June 2011	447,186	92,743	80,977	18,201,893	18,822,799
Depreciation					
At 1 July 2010	426,513	52,948	80,977	7,900,581	8,461,019
Charge for the year	9,896	15,983	-	1,596,251	1,622,130
On disposals	-	-	-	(603,162)	(603,162)
At 30 June 2011	436,409	68,931	80,977	8,893,670	9,479,987
Net book value					
At 30 June 2011	10,777	23,812	-	9,308,223	9,342,812
At 30 June 2010	20,673	24,540	-	8,160,564	8,205,777

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows

	2011 £	2010 £
Tractors and tanks	7,607,829	6,641,086

Depreciation charged on assets held under finance leases or hire purchase contracts, are as follows

	2011 £	2010 £
Tractors and tanks	877,560	808,364

10. Stocks

	2011 £	2010 £
Fuel and other consumables	218,408	186,609

Notes to the financial statements

For the year ended 30 June 2011

11. Debtors

	2011	2010
	£	£
Trade debtors	3,436,565	2,424,496
Other debtors	276,458	208,846
Prepayments and accrued income	605,304	585,042
	<u>4,318,327</u>	<u>3,218,384</u>

Included within other debtors is £276,458 (2010 £205,592) relating to overdrawn directors' loan accounts. Further details are provided in note 27.

12. Creditors:

Amounts falling due within one year

	2011	2010
	£	£
Bank overdraft	104,138	1,438,464
Net obligations under finance leases and hire purchase contracts	2,120,110	1,804,016
Trade creditors	1,819,392	1,527,833
Corporation tax	185,000	133,000
Social security and other taxes	587,769	303,073
Other loan	1,952,954	-
Accruals and deferred income	269,919	224,123
	<u>7,039,282</u>	<u>5,430,509</u>

The bank overdraft and other loan are secured against all assets of the company. Net obligations under finance leases and hire purchase contracts are secured against the assets to which they relate.

13. Creditors:

Amounts falling due after more than one year

	2011	2010
	£	£
Net obligations under finance leases and hire purchase contracts	<u>3,581,003</u>	<u>3,237,033</u>

Notes to the financial statements

For the year ended 30 June 2011

13. Creditors: Amounts falling due after more than one year (continued)

Obligations under finance leases and hire purchase contracts, included above, are payable as follows

	2011 £	2010 £
Between one and five years	<u>3,581,003</u>	<u>3,237,033</u>

Net obligations under finance leases and hire purchase contracts are secured against the assets to which they relate

14. Deferred taxation

	2011 £	2010 £
At beginning of year	877,000	780,000
(Released during)/charge for year	(40,000)	97,000
At end of year	<u>837,000</u>	<u>877,000</u>

The provision for deferred taxation is made up as follows

	2011 £	2010 £
Accelerated capital allowances	<u>837,000</u>	<u>877,000</u>

15. Share capital

	2011 £	2010 £
Allotted, called up and fully paid		
96,298 (2010 - 90,216) Ordinary shares of £1 each	<u>96,298</u>	<u>90,216</u>

On 1 December 2010 6,082 shares were issued at a premium of £73,227 Further details are set out in note 17

Notes to the financial statements

For the year ended 30 June 2011

16. Reserves

	Share premium account £	Capital redemption reserve £	Other reserves £	Profit and loss account £
At 1 July 2010	-	60,144	92,961	1,827,204
Profit for the year	-	-	-	510,355
Dividends Equity capital	-	-	-	(193,370)
Premium on shares issued during the year	73,227	-	-	-
Movement on other reserves	-	-	(42,253)	-
Transfer between reserves	-	-	(50,708)	50,708
At 30 June 2011	<u>73,227</u>	<u>60,144</u>	<u>-</u>	<u>2,194,897</u>

On 1 December 2010 the share options in respect of certain directors vested. On this date S Granite and D Coulson, having satisfied the criteria of the share option agreement, received a bonus which was used to purchase a total of 6,082 shares in the company at a value of £79,309 being shares at par of £6,082 and a premium of £73,227.

H Conroy a director who retired during the year, did not satisfy the criteria of the share option agreement and therefore 5,068 shares did not vest. There were no share options outstanding at 30 June 2011.

17. Reconciliation of movement in shareholders' funds

	2011 £	2010 £
Opening shareholders' funds	2,070,525	1,701,887
Profit for the year	510,355	433,778
Dividends (Note 18)	(193,370)	(100,000)
Shares issued during the year	6,082	-
Share premium on shares issued (net of expenses)	73,227	-
Charges in respect of share options	(42,253)	34,860
Closing shareholders' funds	<u>2,424,566</u>	<u>2,070,525</u>

18. Dividends

	2011 £	2010 £
Dividends paid on equity capital	<u>193,370</u>	<u>100,000</u>

Notes to the financial statements

For the year ended 30 June 2011

19. Net cash flow from operating activities

	2011 £	2010 £
Operating profit	955,802	949,243
Amortisation of intangible fixed assets	2,500	833
Depreciation of tangible fixed assets	1,622,130	1,321,408
Loss/(profit) on disposal of tangible fixed assets	87,761	(4,762)
Increase in stocks	(31,799)	(71,472)
Increase in debtors	(1,099,943)	(276,529)
Increase/(decrease) in creditors	622,051	(70,848)
Charges in respect of share options	(42,253)	34,860
Net cash inflow from operating activities	2,116,249	1,882,733

20. Analysis of cash flows for headings netted in cash flow statement

	2011 £	2010 £
Returns on investments and servicing of finance		
Interest paid	(36,563)	(18,024)
Hire purchase interest	(263,921)	(284,141)
Net cash outflow from returns on investments and servicing of finance	(300,484)	(302,165)

	2011 £	2010 £
Capital expenditure and financial investment		
Purchase of intangible fixed assets	-	(5,000)
Purchase of tangible fixed assets	(208,333)	(121,539)
Sale of tangible fixed assets	68,500	31,999
Net cash outflow from capital expenditure	(139,833)	(94,540)

	2011 £	2010 £
Financing		
Issue of ordinary shares	79,309	-
Repayment of finance leases	(2,047,029)	(1,820,921)
Movements on other debt	1,952,954	-
Net cash outflow from financing	(14,766)	(1,820,921)

Notes to the financial statements

For the year ended 30 June 2011

21. Analysis of changes in net debt

	1 July 2010	Cash flow	Other non-cash changes	30 June 2011
	£	£	£	£
Cash at bank and in hand	130	507	-	637
Bank overdraft	(1,438,464)	1,334,326	-	(104,138)
	<u>(1,438,334)</u>	<u>1,334,833</u>	<u>-</u>	<u>(103,501)</u>
Debt.				
Finance leases	(5,041,049)	2,047,029	(2,707,093)	(5,701,113)
Debts due within one year	-	(1,952,954)	-	(1,952,954)
	<u>(5,041,049)</u>	<u>(1,952,954)</u>	<u>(2,707,093)</u>	<u>(7,701,067)</u>
Net debt	<u><u>(6,479,383)</u></u>	<u><u>1,428,908</u></u>	<u><u>(2,707,093)</u></u>	<u><u>(7,757,568)</u></u>

22. Contingent liabilities

There were no contingent liabilities at 30 June 2011 or 30 June 2010

23. Capital commitments

At 30 June 2011 the company had capital commitments as follows

	2011 £	2010 £
Contracted for but not provided in these financial statements	<u>1,883,000</u>	<u>240,000</u>

In July 2011 the company continued its programme to expand its fleet with the purchase of a further 26 trucks

24. Pension commitments

The company operates a defined contribution pension scheme for the benefit of directors and employees. The assets of the scheme are administered by trustees in a fund independent from those of the company.

Notes to the financial statements

For the year ended 30 June 2011

25. Operating lease commitments

At 30 June 2011 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings			Other
	2011	2010	2011	2010
	£	£	£	£
Expiry date:				
Within 1 year	-	-	-	9,200
Between 2 and 5 years	100,000	45,000	31,680	-
After more than 5 years	52,500	52,500	-	-
	<u>152,500</u>	<u>97,500</u>	<u>31,680</u>	<u>-</u>

26. Related party transactions

S J Lucy and M A Lucy are directors of the company. During the year these two directors had overdrawn directors loan accounts. The balance at the year end and the maximum amount overdrawn is shown as follows

	Maximum liability during the year	Outstanding 2011	Outstanding 2010
	£	£	£
S J Lucy	188,352	188,352	100,933
M A Lucy	136,682	88,106	104,659
	<u>325,034</u>	<u>276,458</u>	<u>205,592</u>

The company had the following transactions and balances with Abbey Road Tanks Limited Retirement and Death Benefit Scheme, two of whose trustees are directors of the company. During the year Abbey Road Tanks Limited Retirement and Death Benefit Scheme charged rent of £106,675 (2010 £97,500) to the company. The amount outstanding at the year end was £Nil (2010 £603)

The following dividends were paid to directors during the year,

	2011	2010
	£	£
S J Lucy	95,000	50,000
M A Lucy	95,000	50,000
S Granite	1,685	-
D Coulson	1,685	-
	<u>193,370</u>	<u>100,000</u>
Total	193,370	100,000