



# CIVVALS

Chartered Accountants  
Registered Auditors  
Independent Financial Advisers

**REPORT OF THE DIRECTORS AND  
CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
31 MARCH 2004**

**FOR**

**LEWIS DAY TRANSPORT PLC  
COMPANY NO: 4143737**



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## LEWIS DAY TRANSPORT PLC

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\*The page so marked does not form part of the statutory financial statements.

## LEWIS DAY TRANSPORT PLC

### Directors' Report for the year ended 31 March 2004

The directors presents their report together with the audited financial statements for the year ended 31 March 2004.

#### Review of Business

The results for the year and the financial position of the group are as shown in the annexed financial statements.

No dividends will be distributed for the year ended 31 March 2004.

#### Principal Activities

The principal activities of the group in the year under review were those of the provision of courier, passenger car and medical services.

#### Events Since the End of the year

Information relating to events since the end of the year is given in the notes to the financial statements

#### Directors

The directors during the year under review and their beneficial interests in the issued share capital of the company were as follows:

	Number of shares	
	31.3.04	31.3.03
N Davison	9,090	9,090
K Kasinos	9,090	9,090
P Morgan	9,090	9,090
H Lewis	-	-
J Ritterband	9,090	9,090
	=====	=====

H Lewis holds an interest in the company by virtue of being a trustee of the company's retirement scheme, which holds 55% of the ordinary share capital.

#### Group's Policy on Payment of Creditors

In respect of all the group's creditors it is the group's policy:  
to settle the terms of payment when agreeing the terms of each transaction  
to ensure that suppliers are made aware of the terms of each transaction  
to abide by the terms of payment.

The average number of creditor days taken during the year was 23.

## LEWIS DAY TRANSPORT PLC

### Directors' Report for the year ended 31 March 2004 (continued)

#### Director's 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 group and of the profit or loss of the group for that period.

In preparing those 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;
- state whether applicable accounting standards have been followed, subject to any material departures, disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company and the group 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 group and 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### Auditors

The auditors, Civvals, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

#### By Order of the Board



**J Ritterband**  
Secretary

**Date: 25 June 2004**

# LEWIS DAY TRANSPORT PLC

## Auditors' Report to the members of Lewis Day Transport plc

We have audited the financial statements of Lewis Day Transport plc for the year ended 31 March 2004 on pages 4 to 18. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of the director and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion the Report of the Directors is not consistent with the financial statements, if the group has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the group is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

### Basis of opinion

We conducted our audit in accordance with United Kingdom 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 judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group'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 and of the group as at 31 March 2004 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

### CIVVALS

Chartered Accountants  
and Registered Auditors  
Marble Arch House  
66-68 Seymour Street  
London W1H 5AF

Date: 25 June 2004

# LEWIS DAY TRANSPORT PLC

## Consolidated Profit and Loss Account for the year ended 31 March 2004

	Note	2004 £	2003 £
Turnover		19,573,405	10,561,187
Cost of sales		<u>(11,899,644)</u>	<u>(6,496,901)</u>
Gross profit		7,673,761	4,064,286
Administrative expenses		<u>(6,256,773)</u>	<u>(3,363,201)</u>
Operating profit	4	1,416,988	701,085
Interest receivable		821	76
Exceptional items	5	(130,242)	0
Interest payable	6	<u>(276,317)</u>	<u>(128,498)</u>
Profit on ordinary activities before taxation		1,011,250	572,663
Taxation on profit on ordinary activities	7	<u>(187,709)</u>	<u>(151,462)</u>
Profit on ordinary activities after taxation		823,541	421,201
Minority interest		<u>(75,781)</u>	<u>(29,820)</u>
Retained profit for the year	19	<u>747,760</u>	<u>391,381</u>

During the year the group acquired the trading activities of two other courier businesses, These contributed approximately £3,365,000 of the turnover disclosed for the year. It is not possible to identify the contributions made to net profit as the operations are fully integrated with the group's other operations.

All recognised gains and losses are included in the profit and loss account.

The notes on pages 8 to 18 form part of these financial statements.

LEWIS DAY TRANSPORT PLC

Consolidated Balance Sheet  
As at 31 March 2004

	Note	£	2004 £	£	2003 £
<b>Fixed Assets</b>					
Intangible assets	8		2,194,908		405,000
Tangible assets	9		<u>2,436,765</u>		<u>1,278,414</u>
			4,631,673		1,683,414
<b>Current Assets</b>					
Debtors	11	3,525,803		2,287,824	
Cash at bank and in hand		<u>7,759</u>		<u>20,494</u>	
		3,533,562		2,308,318	
<b>Creditors: amounts falling due within one year</b>	12	<u>(3,616,361)</u>		<u>(1,962,898)</u>	
<b>Net current assets</b>			<u>(82,799)</u>		<u>345,420</u>
<b>Total Assets Less Current Liabilities</b>			4,548,874		2,028,834
<b>Creditors: amounts falling after one year</b>	13		(3,184,187)		(1,487,688)
			<u>1,364,687</u>		<u>541,146</u>
<b>Capital and Reserves</b>					
Called up share capital	18		100,000		100,000
Profit and loss account	19		<u>1,161,889</u>		<u>414,129</u>
<b>Shareholders' Funds (equity interests)</b>	20		1,261,889		514,129
Minority interests			102,798		27,017
			<u>1,364,687</u>		<u>541,146</u>

The financial statements were approved by the Board on 25 June 2004



H Lewis - Director

The notes on pages 8 to 18 form part of these financial statements.

LEWIS DAY TRANSPORT PLC

Company Balance Sheet  
As at 31 March 2004

	Note	£	2004 £	£	2003 £
<b>Fixed Assets</b>					
Intangible assets	8		2,194,908		405,000
Tangible assets	9		710,498		499,560
Investments	10		4,329		4,329
			<u>2,909,735</u>		<u>908,889</u>
<b>Current Assets</b>					
Debtors	11	3,562,217		2,265,116	
Cash at bank and in hand		<u>5,869</u>		<u>14,366</u>	
		3,568,086		2,279,482	
<b>Creditors:</b> amounts falling due within one year	12	<u>(3,035,801)</u>		<u>(1,596,777)</u>	
<b>Net current assets</b>			<u>532,285</u>		<u>682,705</u>
<b>Total Assets Less Current Liabilities</b>			3,442,020		1,591,594
<b>Creditors:</b> amounts falling due after one year	13		(2,348,818)		(1,060,269)
			<u>1,093,202</u>		<u>531,325</u>
<b>Capital and Reserves</b>					
Called up share capital	18		100,000		100,000
Profit and loss account	19		<u>993,202</u>		<u>431,325</u>
<b>Shareholders' Funds</b> (equity interests)	20		<u>1,093,202</u>		<u>531,325</u>

The financial statements were approved by the Board on

H Lewis - Director

The notes on pages 8 to 18 form part of these financial statements.



**LEWIS DAY TRANSPORT PLC**

**Consolidated cash flow statement  
for the year ended 31 March 2004**

	Note	£	2004 £	£	2003 £
<b>Net cash inflow from operating activities</b>	<b>23</b>		<b>1,319,823</b>		<b>912,565</b>
<b>Returns on investments and servicing of finance</b>					
Interest received		821		76	
Interest paid		<u>(276,317)</u>		<u>(128,498)</u>	
			(275,496)		(128,422)
<b>Taxation</b>					
Corporation tax paid			(108,607)		(2)
<b>Capital expenditure</b>					
Purchase of tangible fixed assets		(1,772,110)		(1,159,121)	
Goodwill arising on acquisition of subsidiaries		-		(73,637)	
Purchase of intangible fixed assets		<u>(1,952,576)</u>		<u>(450,000)</u>	
Proceeds of sale of tangible fixed assets		<u>2,300</u>		<u>79,701</u>	
			(3,722,386)		(1,603,057)
<b>Net cash outflow before use of liquid resources and financing</b>			<b>(2,786,666)</b>		<b>(818,916)</b>
<b>Financing</b>	<b>25</b>		<b>2,653,237</b>		<b>939,491</b>
<b>(Decrease)/Increase in cash</b>	<b>24</b>		<u><b>(133,429)</b></u>		<u><b>120,575</b></u>

The notes on pages 8 to 16 form part of these financial statements.

## LEWIS DAY TRANSPORT PLC

### Notes to the Financial Statements for the year ended 31 March 2004

#### 1. Accounting policies

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

##### 1.1 Basis of consolidation

The consolidated financial statements include the financial statements of Lewis Day Transport plc and all its subsidiary undertakings for the year ended 31 March 2004.

##### 1.2 Turnover

Turnover represents net invoiced sales of services to outside customers, excluding value added tax. Sales are recognised when an invoice is raised.

##### 1.3 Goodwill

Purchased goodwill (excluding goodwill arising on consolidation), being the amount paid in connection with the purchase of businesses in the current and previous periods, is being written off evenly over its estimated useful life of ten years. Goodwill arising on consolidation is written off to reserves.

##### 1.3 Tangible Fixed Assets

Depreciation is provided to write off the cost less estimated residual value of each asset over its expected useful life.

Leasehold property	- 10% on cost
Plant and Machinery	- 25% on reducing balance
Fixtures and fittings	- 25% on reducing balance
Computer equipment	- 25% on reducing balance
Motor vehicles	- 25% per annum reducing balance

##### 1.4 Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is shorter.

The interest element of those obligations is charged to the profit and loss account over the relevant period. The capital element of future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account as incurred.

##### 1.5 Investments

Fixed asset investments are stated at cost less any provision for impairment in value.

##### 1.6 Foreign currency translation

Foreign currency translations are translated at the rates of exchange ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rate ruling at the balance sheet date. Any differences are taken to the profit and loss account.

# LEWIS DAY TRANSPORT PLC

## Notes to the Financial Statements for the year ended 31 March 2004

### 1.7 Commissions

Commission which has been paid for the introduction of clients is written off over the term of the contract (four years).

### 1.8 Deferred taxation

Deferred tax is recognised in respect of all material timing differences that have originated but not reversed at the balance sheet date.

### 2. Director's Emoluments

	2004 £	2003 £
These comprise :		
Emoluments	369,529	599,455
	<hr/>	<hr/>
	369,529	599,455
	<hr/>	<hr/>
Information regarding the highest paid director is as follows:		
Emoluments	75,550	66,113
	<hr/>	<hr/>

# LEWIS DAY TRANSPORT PLC

## Notes to the Financial Statements for the year ended 31 March 2004

### 3. Employees

#### Number of employees

The average number of employees (including directors) during the year was as follows :

	2004 Number	2003 Number
Directors	5	5
Business development	6	6
Accounts	12	6
IT	4	2
Customer services	14	7
Operations	118	40
	<hr/> 159	<hr/> 66
	<hr/>	<hr/>

Staff costs (including directors) consist of :

	2004 £	2003 £
Wages and salaries	3,463,798	1,989,159
Social security costs	377,350	198,332
	<hr/> 3,841,148	<hr/> 2,187,491
	<hr/>	<hr/>

### 4. Operating Profit

	2004 £	2003 £
Operating profit is stated after charging :		
Depreciation of tangible assets	470,216	217,200
Amortisation of intangible assets	162,668	45,000
Loss on disposal of fixed assets	10,993	699
Operating lease rentals		
-Plant and machinery	31,473	39,577
-Land and buildings	195,266	109,194
Auditors' remuneration-audit services	20,000	15,250
	<hr/>	<hr/>

### 5. Exceptional items

The exceptional item is the remaining undepreciated cost of leasehold additions written off as a result of one of the companies' change of premises during the year.

**LEWIS DAY TRANSPORT PLC**

**Notes to the Financial Statements  
for the year ended 31 March 2004**

6. Interest payable	2004 £	2003 £
On bank loans and overdrafts	236,006	103,249
Hire purchase interest	<u>40,311</u>	<u>25,249</u>
	276,317	128,498
	<u><u>276,317</u></u>	<u><u>128,498</u></u>

7. Taxation on profit on ordinary activities	2004 £	2003 £
UK Corporation tax	216,353	151,462
Adjustment in respect of prior years	<u>(28,644)</u>	<u>0</u>
	187,709	151,462
	<u><u>187,709</u></u>	<u><u>151,462</u></u>

**Factors affecting the tax charge**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2004 £	2003 £
Profit on ordinary activities before tax	<u>1,011,250</u>	<u>572,663</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 27.382% (2003-27.298%)	276,905	156,327
Effects of:		
Disallowed expenses	12,511	3,924
Loss on disposal of fixed assets	39,073	206
Excess of capital allowances over depreciation	(112,136)	(45,677)
Losses from prior periods		(2,636)
Over provision	(28,644)	39,318
	<u><u>187,709</u></u>	<u><u>151,462</u></u>

Deferred taxation unprovided at 31.3. 04 amounts to £64,722 (2003 £31,136)

**LEWIS DAY TRANSPORT PLC**

**Notes to the Financial Statements  
for the year ended 31 March 2004**

**8. Intangible fixed assets**

	<b>Goodwill £</b>
<b>Cost</b>	
At 1 April 2003	450,000
Additions	1,952,576
At 31 March 2004	<u>2,402,576</u>
<b>Amortisation</b>	
At 1 April 2003	45,000
Charge for the year	162,668
At 31 March 2004	<u>207,668</u>
<b>Net Book Value</b>	
At 31 March 2004	<u>2,194,908</u>
At 31 March 2003	<u>405,000</u>

**9. Tangible Assets**

Group	Leasehold property	Plant and machinery	Fixtures	Vehicles	Computer equipment	Total
<b>Cost</b>	£	£	£	£	£	£
At 1 April 2003	212,391	225,994	48,401	830,842	253,160	1,570,788
Additions	44,788	226,654	71,440	125,575	171,653	1,772,110
Disposals	(173,230)	-	-	(21,649)	-	(194,879)
At 31 March 2004	<u>83,949</u>	<u>452,648</u>	<u>119,841</u>	<u>2,066,768</u>	<u>424,813</u>	<u>3,148,019</u>
<b>Depreciation</b>						
At 1 April 2003	31,662	62,190	16,820	108,974	72,728	292,374
Charge for the year	24,533	64,341	12,198	299,406	69,746	470,224
Disposals	(42,989)	-	-	(8,355)	-	(51,344)
At 31 March 2004	<u>13,206</u>	<u>126,531</u>	<u>29,018</u>	<u>400,025</u>	<u>142,474</u>	<u>711,254</u>
<b>Net Book value</b>						
At 31 March 2004	<u>70,743</u>	<u>326,117</u>	<u>90,823</u>	<u>1,666,743</u>	<u>282,339</u>	<u>2,436,765</u>
At 31 March 2003	<u>180,729</u>	<u>163,804</u>	<u>31,581</u>	<u>721,868</u>	<u>180,432</u>	<u>1,278,414</u>

The net book value of plant and machinery held under hire purchase agreements amounts to £62,195 at 31.3.04 (2003 £28,611). Depreciation charged on these assets for the year amounted to £10,865 (2003 (£3,333)).

The net book value of motor vehicles held under hire purchase agreements amounts to £1,665,863 at 31.3.04 (2003 £721,868). Depreciation charged on these assets for the year amounted to £299,386 (2003 £100,682).

**LEWIS DAY TRANSPORT PLC**

**Notes to the Financial Statements  
for the year ended 31 March 2004**

<b>Company</b>	<b>Leasehold property</b>	<b>Plant and machinery</b>	<b>Fixtures</b>	<b>Vehicles</b>	<b>Computer equipment</b>	<b>Total</b>
<b>Cost</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 April 2003	173,230	205,050	45,675		244,519	668,474
Additions	42,155	213,184	70,920		170,469	496,728
Disposals	(173,230)	-	-		-	(173,230)
At 31 March 2004	42,155	418,234	116,595	0	414,988	991,972
<b>Depreciation</b>						
At 1 April 2003	25,666	56,909	16,526		69,813	168,914
Charge for the year	17,420	58,677	11,484		67,968	155,549
Disposals	(42,989)	-	-		-	(42,989)
At 31 March 2004	97	115,586	28,010	0	137,781	281,474
<b>Net Book value</b>						
At 31 March 2004	42,058	302,648	88,585	0	277,207	710,498
At 31 March 2003	147,564	148,141	29,149	0	174,706	499,560

The net book value of plant and machinery held under hire purchase agreements amounts to £62,195 at 31.3.04 (2003 £28,611). Depreciation charged on these assets for the year amounted to £10,865 (2003 £3,333).

**10. Fixed Asset Investments**

<b>At cost</b>	<b>The Group</b>		<b>The Company</b>	
	<b>2004</b>	<b>2003</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Shares in subsidiary undertakings	-	-	4,329	4,329

The company's interest in the share capital of subsidiary undertakings is as follows:

<b>Subsidiary undertakings</b>	<b>Country of registration or incorporation</b>	<b>Ordinary Shares held %</b>
Lewis Day Transport (West London) Limited	England and Wales	70
Lewis Day Transport (South East) Limited	England and Wales	60
Medical Couriers Limited	England and Wales	100

The companies are in the business of provision of courier and passenger car services.

**LEWIS DAY TRANSPORT PLC**

**Notes to the Financial Statements  
for the year ended 31 March 2004**

**11. Debtors**

	<b>The Group</b>		<b>The Company</b>	
	<b>2004</b>	<b>2003</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	2,550,001	1,470,678	2,550,001	1,468,893
Amounts owed by group undertakings	-	-	93,192	12,364
Directors loans	-	4,417	-	4,417
Staff loans	17,157	12,723	17,157	12,723
Prepayments and accrued income	958,645	800,006	901,867	766,719
	<b>3,525,803</b>	<b>2,287,824</b>	<b>3,562,217</b>	<b>2,265,116</b>

All amounts shown under debtors fall due for payment within one year.

**12. Creditors : amounts falling due within one year**

	<b>The Group</b>		<b>The Company</b>	
	<b>2004</b>	<b>2003</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loans and overdrafts	1,099,024	468,169	1,099,024	468,169
Trade creditors	751,154	485,939	726,057	463,970
Corporation tax	230,564	151,462	154,014	134,175
Vat	439,870	249,923	439,870	199,958
Other taxes and social security costs	124,936	64,100	124,936	64,100
Obligations under hire purchase agreements	705,622	272,937	18,791	4,759
Amounts due to group companies	-	-	275,109	64,929
Director's current account	265,191	270,368	198,000	196,717
	<b>3,616,361</b>	<b>1,962,898</b>	<b>3,035,801</b>	<b>1,596,777</b>

**13. Creditors : amounts falling due after one year**

	<b>The Group</b>		<b>The Company</b>	
	<b>2004</b>	<b>2003</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loans and overdrafts	1,851,455	552,319	1,851,455	552,319
Other loans	463,424	494,864	463,424	494,864
Obligations under hire purchase agreements	869,308	426,613	33,939	13,086
Director's current account	-	13,892	-	-
	<b>3,184,187</b>	<b>1,487,688</b>	<b>2,348,818</b>	<b>1,060,269</b>



# LEWIS DAY TRANSPORT PLC

## Notes to the Financial Statements for the year ended 31 March 2004

### 14. Loans and Overdrafts

#### Company and Group

An analysis of the maturity of loans and overdrafts is given below:

	2004 £	2003 £
Amounts falling due within one year or on demand:		
Bank overdrafts	320,903	200,209
Bank loans	778,121	267,960
	<u>1,099,024</u>	<u>468,169</u>
Amounts falling due within one year or on demand:		
Bank loans	<u>793,333</u>	<u>168,986</u>
Amounts falling due within one year or on demand:		
Bank loans	1,058,122	383,333
Other loans	463,424	494,864
	<u>1,521,546</u>	<u>878,197</u>

### 15. Obligations Under Hire Purchase Contracts and Leases

#### Hire Purchase Contracts

	The Group		The Company	
	2004 £	2003 £	2004 £	2003 £
Gross obligations repayable:				
Between one and five years	974,871	468,189	42,326	16,087
Finance charges repayable:				
Between one and five years	105,563	41,576	8,387	3,001
Net obligations repayable:				
Between one and five years	869,308	426,613	33,939	13,086

### 16. Financial Commitments

At 31 March 2004 the group had annual commitments under operating leases as follows :

	The Group			
	Land and Buildings		Other	
	2004 £	2003 £	2004 £	2003 £
Expiry date:				
Within one year	7,598	7,598	604	604
Between two and five years	33,150	-	27,923	22,381
In over five years	<u>432,000</u>	<u>87,714</u>	<u>-</u>	<u>-</u>
	<u>472,748</u>	<u>95,312</u>	<u>28,527</u>	<u>22,985</u>

# LEWIS DAY TRANSPORT PLC

## Notes to the Financial Statements for the year ended 31 March 2004

### The Company

	Land and Buildings		Other	
	2004	2003	2004	2003
	£	£	£	£
Expiry date:				
Within one year	-	-	-	-
Between two and five years	-	-	27,923	22,381
In over five years	425,000	76,314	-	-
	<u>425,000</u>	<u>76,314</u>	<u>27,923</u>	<u>22,381</u>

### 17. Secured Debts

The following secured debts are included within creditors:

	The Group		The Company	
	2004	2003	2004	2003
	£	£	£	£
Bank overdrafts	320,903	200,209	320,903	200,209
Bank loans	2,394,788	820,279	2,394,788	820,279
Hire purchase contracts	1,574,930	699,550	52,730	17,845
	<u>4,290,621</u>	<u>1,720,038</u>	<u>2,768,421</u>	<u>1,038,333</u>

The bank loans and overdrafts are secured by debentures over the assets of the group and by a guarantee provided by one of the directors. The hire purchase agreements are secured on the underlying assets.

### 18. Share Capital

	2004	2003
	£	£
<b>Authorised</b>		
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
<b>Allotted, called-up and fully paid</b>		
1,000,000 Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>

### 19. Profit and Loss Account

	The Group	The Company
	2004	2004
	£	£
Retained profits at 1 April 2003	414,129	431,325
Profit for the year	<u>747,760</u>	<u>561,877</u>
Retained profits at 31 March 2004	<u>1,161,889</u>	<u>993,202</u>

# LEWIS DAY TRANSPORT PLC

## Notes to the Financial Statements for the year ended 31 March 2004

### 20. Reconciliation of Movements in Shareholders' Funds

	The Group		The Company	
	2004 £	2003 £	2004 £	2003 £
Profit for the financial year				
Opening shareholders' funds	747,760	391,381	561,877	328,225
	514,129	122,748	531,325	203,100
Closing shareholders' funds	1,261,889	514,129	1,093,202	531,325

### 21. Post Balance Sheet Events

Since the year end the group has acquired the businesses of two other companies. The total expenditure on these acquisitions amounted to £450,000.

These acquisitions were funded by bank loans repayable in quarterly instalments over the next five years. These loans are secured over the assets of the group and by guarantees given by a director.

The company has taken advantage of the exemption available under Financial Reporting Standard No. 8 "Related Party Transactions", not to disclose any transactions with entities that are included in these consolidated financial statements.

### 22. Ultimate Controlling Party

The group is ultimately controlled by the trustees of the Lewis Day Transport plc Retirement Scheme, by virtue of its 55% shareholding in the parent company of the group. Mr H Lewis is a trustee of the Scheme

### 23. Reconciliation of operating profit to net cash inflow from operating activities

	2004 £	2003 £
Operating profit	1,416,988	701,085
Depreciation of tangible fixed assets	470,224	217,200
Loss on sale of tangible fixed assets	10,993	699
Amortisation of goodwill	162,668	45,000
(Increase)/decrease in debtors	(1,237,979)	(236,334)
Increase/(decrease) in creditors	496,929	184,915
	1,319,823	912,565

**LEWIS DAY TRANSPORT PLC**

**Notes to the Financial Statements  
for the year ended 31 March 2004**

**24. Reconciliation of net cash flow to movement in net debt**

	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
(Decrease)/Increase in cash	(133,429)	120,575
Cash inflow from increase in debt and lease financing	<u>(2,653,237)</u>	<u>(939,491)</u>
Change in net debt resulting from cashflows	(2,786,666)	(818,916)
Movement in net debt in the period	<u>(2,786,666)</u>	<u>(818,916)</u>
Net debt at 1 April	<u>(2,194,408)</u>	<u>(1,375,492)</u>
Net debt at 31 March	<u><u>(4,981,074)</u></u>	<u><u>(2,194,408)</u></u>

**25. Analysis of net debt**

	<b>At 1.4.03</b>	<b>Cash flow</b>	<b>At 31.3.04</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	20,494	(12,735)	7,759
Bank overdrafts	<u>(200,209)</u>	<u>(120,694)</u>	<u>(320,903)</u>
	<u>(179,715)</u>	<u>(133,429)</u>	<u>(313,144)</u>
Hire Purchase			
within one year			
after one year	(272,937)	(432,685)	(705,622)
Debts falling due	(426,613)	(442,695)	(869,308)
within one year	(267,960)	(510,161)	(778,121)
after one year	<u>(1,047,183)</u>	<u>(1,267,696)</u>	<u>(2,314,879)</u>
	<u>(2,014,693)</u>	<u>(2,653,237)</u>	<u>(4,667,930)</u>
Total	<u><u>(2,194,408)</u></u>	<u><u>(2,786,666)</u></u>	<u><u>(4,981,074)</u></u>