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# CIVVALS

Chartered Accountants  
Registered Auditors

## **CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2006**

**FOR**

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



Marble Arch House  
66 - 68 Seymour Street  
London W1H 5AF  
Telephone 020 7258 3461  
Fax 020 7262 2757  
e-mail [enquiries@civvals.co.uk](mailto:enquiries@civvals.co.uk)  
[www.civvals.co.uk](http://www.civvals.co.uk)

## LEWIS DAY TRANSPORT PLC

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## **LEWIS DAY TRANSPORT PLC**

### **Company Information**

**Directors**

N Davison  
K Kasinos  
H Lewis  
J Ritterband  
J P Sheehan

**Secretary**

J Ritterband

**Company Number**

4143737 (England & Wales)

**Registered Office**

Lewis Day Building  
76 East Road  
London  
N1 6AB

**Auditors**

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

## LEWIS DAY TRANSPORT PLC

### Directors' Report for the year ended 31 March 2006

The directors presents their report together with the audited financial statements for the year ended 31 March 2006.

#### Review of Business

The results for the year and the financial position of the group are as shown in the annexed financial statements. During the year under review the company has continued to act as a one stop transport provider with specialisation in key sectors. Turnover for the year increased by 25.3%. Profits before tax have increased by 121.4%.

The company's sustained and substantial growth requires a steadily increasing level of working capital. The directors have concentrated on reinvestment in technology, equipment and human resources to maintain customer support and ensure best service practice. Continuous growth and increased profits are retained within the company to fund our requirements internally.

After five years of trading, the Lewis Day brand is now known and respected in Central and Greater London, and the company is extending its operation locally through new regional offices throughout the UK. The core services have all maintained sustained growth and the company continues to increase its market share. Medical Services, the company's specialist department to the medical sector, continues to flourish with several key substantial contracts awarded by the public and private sector. Medical Services is now a respected provider and the directors are optimistic of future substantial growth in this business sector.

The company currently has seventeen regional offices throughout the UK that offer and promote all our core services to customers locally. The company will ensure that all centres continue to focus on our strengths of customer care, IT and communications, and staff loyalty and efficiency.

#### Dividends

No interim dividend was paid during the year (2005 -30p). No final dividend is recommended . The total distribution of dividends for the year ended 31 March 2006 will be £nil (2005 - £30,000).

#### Principal Activities

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

#### 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	
	31.3.05	31.3.04
N Davison	9,090	9,090
K Kasinos	9,090	9,090
H Lewis	-	-
J Ritterband	9,090	9,090
J P Sheehan - appointed 3.10.2005	4,160	-
	=====	=====

H Lewis effectively controls 61% (2005 - 55%) of the issued share capital at the end of the period.

#### 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 57 days (2005 - 47days).

## LEWIS DAY TRANSPORT PLC

### Directors' Report for the year ended 31 March 2006 (continued)

#### Financial Instruments

The group's principal financial instruments comprise bank balances, bank overdrafts, trade creditors, trade debtors, loans and hire purchase agreements. The main purpose of these instruments is to raise funds for the group's operations.

Due to the nature of financial instruments used by the group, there is no exposure to price risk. The group's approach to managing other risks applicable to financial instruments concerned is shown below.

In respect of bank balances the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest. The group makes use of money market facilities where funds are available.

In respect of loans these comprise loans from the directors and loans from financial institutions. The interest rate on loans from financial institutions is variable but the monthly repayments are fixed. The company manages the liquidity risk by ensuring there are sufficient funds to meet the payments. The loans from the directors are interest free and payable on demand. The directors are aware of the company's required finance and have determined that these will only be repaid, in whole or in part, when finance is available.

In respect of hire purchase agreements, these are from financial institutions with fixed or variable interest rates and fixed monthly repayments. The group manages the liquidity risk by ensuring there are sufficient funds to meet the payments.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

#### Statement of Director's Responsibilities

*The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.*

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 judgements 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 group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **LEWIS DAY TRANSPORT PLC**

### **Directors' Report for the year ended 31 March 2006 (continued)**

#### **Disabled Employees**

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure their employment with the group continues and that appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

#### **Employee Consultation**

The group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the group. This is achieved through formal and informal meetings where employees are consulted on a range of matters affecting their current and future interests.

#### **Statements as to Disclosure of Information to Auditors**

So far as the directors are aware, there is no relevant audit information (as defined by section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

#### **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: 11 August 2006**

# 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 2006 on pages 5 to 19. 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 two the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 company and other members of 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 audit opinion

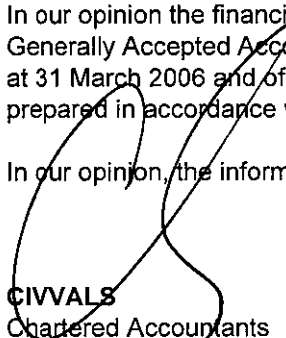
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the company and of the group as at 31 March 2006 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

In our opinion, the information given in the report of the directors is consistent with the financial statements.

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

Date: 11 August 2006

# LEWIS DAY TRANSPORT PLC

## Consolidated Profit and Loss Account for the year ended 31 March 2006

	Note	2006 £	2005 £
<b>Turnover</b>	<b>2</b>		
Existing Operations		36,903,494	29,460,422
Acquisitions		<u>37,857</u>	<u>-</u>
Continuing Operations		36,941,351	29,460,422
Cost of sales	<b>3</b>	<u>(23,653,143)</u>	<u>(18,645,268)</u>
<b>Gross profit</b>		13,288,208	10,815,154
Administrative expenses	<b>3</b>	(10,823,384)	(9,510,112)
Other operating income		23,200	19,871
<b>Operating profit/(loss)</b>			
Existing Operations		2,511,242	1,324,913
Acquisitions		<u>(23,218)</u>	<u>-</u>
Continuing Operations		2,488,024	1,324,913
Interest receivable		5,452	3,175
Interest payable	<b>7</b>	<u>(675,010)</u>	<u>(506,881)</u>
<b>Profit on ordinary activities before taxation</b>		1,818,466	821,207
Taxation on profit on ordinary activities	<b>8</b>	<u>(449,538)</u>	<u>(342,149)</u>
<b>Profit on ordinary activities after taxation</b>		1,368,928	479,058
Minority interest		(88,653)	(102,566)
<b>Profit for the financial year</b>		<u>1,280,275</u>	<u>376,492</u>
Dividends	<b>9</b>	-	(30,000)
<b>Retained profit for the year</b>	<b>22</b>	<u>1,280,275</u>	<u>346,492</u>

### Continuing Operations

In the prior year the group acquired the trading activities of another courier business. It is not possible to quantify the effect on turnover or profit of this acquisition as the operation is fully integrated with the group's other operations.

The notes on pages 10 to 19 form part of these financial statements.



**LEWIS DAY TRANSPORT PLC**

**Consolidated Profit and Loss Account  
for the year ended 31 March 2006**

**Total recognised gains and losses**

The company has no recognised gains or losses other than the profits for the current and previous years.

The notes on pages 10 to 19 form part of these financial statements.

# LEWIS DAY TRANSPORT PLC

## Consolidated Balance Sheet As at 31 March 2006

	Note	£	2006 £	£	2005 £
<b>Fixed Assets</b>					
Goodwill	10		1,794,393		2,044,650
Negative Goodwill	10		(108,697)		-
Intangible assets			<u>1,685,696</u>		<u>2,044,650</u>
Tangible assets	11		<u>8,649,290</u>		<u>4,923,919</u>
			<u>10,334,986</u>		<u>6,968,569</u>
<b>Current Assets</b>					
Debtors	13	4,337,066		4,159,633	
Cash at bank and in hand		<u>29,319</u>		<u>32,819</u>	
		4,366,385		4,192,452	
<b>Creditors:</b> amounts falling due within one year	14	<u>(6,338,422)</u>		<u>(4,344,252)</u>	
<b>Net current liabilities</b>			<u>(1,972,037)</u>		<u>(151,800)</u>
<b>Total Assets Less Current Liabilities</b>			8,362,949		6,816,769
<b>Creditors:</b> amounts falling after one year	15		(5,275,713)		(4,943,398)
<b>Provisions for liabilities and charges</b>	20		(52,289)		(59,602)
			<u>3,034,947</u>		<u>1,813,769</u>
<b>Capital and Reserves</b>					
Called up share capital	21		104,160		100,000
Profit and loss account	22		<u>2,788,655</u>		<u>1,508,380</u>
<b>Shareholders' Funds</b> (equity interests)	23		2,892,815		1,608,380
Minority interests			142,132		205,389
			<u>3,034,947</u>		<u>1,813,769</u>

The financial statements were approved by the Board on 11 August 2006

H Lewis - Director

J Ritterband - Director

*H Lewis*  
*J Ritterband*

The notes on pages 10 to 19 form part of these financial statements.

LEWIS DAY TRANSPORT PLC

Company Balance Sheet  
As at 31 March 2006

	Note	£	2006 £	£	2005 £
<b>Fixed Assets</b>					
Intangible assets	10		1,794,393		2,044,650
Tangible assets	11		1,333,600		1,029,703
Investments	12		8,739		4,504
			<u>3,136,732</u>		<u>3,078,857</u>
<b>Current Assets</b>					
Debtors	13	4,986,256		4,426,787	
Cash at bank and in hand		<u>11,830</u>		<u>19,361</u>	
		4,998,086		4,446,148	
<b>Creditors: amounts falling due within one year</b>	14	<u>(3,232,969)</u>		<u>(3,262,817)</u>	
<b>Net current assets</b>			<u>1,765,117</u>		<u>1,183,331</u>
<b>Total Assets Less Current Liabilities</b>			4,901,849		4,262,188
<b>Creditors: amounts falling due after one year</b>	15		(2,840,083)		(2,968,284)
<b>Provisions for liabilities and charges</b>	20		(50,832)		(55,551)
			<u>2,010,934</u>		<u>1,238,353</u>
<b>Capital and Reserves</b>					
Called up share capital	21		104,160		100,000
Profit and loss account	22		<u>1,906,774</u>		<u>1,138,353</u>
<b>Shareholders' Funds (equity interests)</b>	23		<u>2,010,934</u>		<u>1,238,353</u>

The financial statements were approved by the Board on 11 August 2006 and were signed on its behalf by:

H Lewis - Director



J Ritterband - Director



The notes on pages 10 to 19 form part of these financial statements.

**LEWIS DAY TRANSPORT PLC**

**Consolidated cash flow statement  
for the year ended 31 March 2006**

	Note	£	2006 £	£	2005 £
<b>Net cash inflow from operating activities</b>	26		5,592,087		1,978,229
<b>Returns on investments and servicing of finance</b>					
Interest received		5,452		3,175	
Interest paid		<u>(675,010)</u>		<u>(506,881)</u>	
			(669,558)		(503,706)
<b>Taxation</b>					
Corporation tax paid			(483,737)		(389,872)
<b>Capital expenditure</b>					
Purchase of tangible fixed assets		(5,923,279)		(3,907,754)	
Purchase of intangible fixed assets				(100,000)	
Issue of share in subsidiary company		25		25	
Proceeds of sale of tangible fixed assets		<u>30,681</u>		<u>257,667</u>	
			(5,892,573)		(3,750,062)
<b>Equity dividends paid</b>			(27,000)		(30,000)
<b>Net cash outflow before use of liquid resources and financing</b>			<u>(1,480,781)</u>		<u>(2,695,411)</u>
<b>Financing</b>	28		1,685,238		2,550,136
<b>(Decrease)/Increase in cash</b>	27		<u><u>204,457</u></u>		<u><u>(145,275)</u></u>

The notes on pages 10 to 19 form part of these financial statements.

## LEWIS DAY TRANSPORT PLC

### Notes to the Financial Statements for the year ended 31 March 2006

#### 1. Accounting policies

The financial statements are prepared under the historical cost convention and 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 2006.

##### 1.2 Turnover

Turnover represents the 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 evenly over its estimated useful life of ten years.

##### 1.4 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% on reducing balance

##### 1.5 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.

##### 1.6 Investments

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

##### 1.7 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 2006**

**1.8 Commissions**

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

**1.9 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. Turnover**

Turnover is attributable to the principal activity of the company which arose wholly in the United Kingdom.

**3. Cost of sales, gross profit and other operating expenses (net)**

The total figure of net operating expenses for continuing operations in 2006 includes £61,075 in respect of acquisitions (namely cost of sales £34,166 and administrative expenses £26,909).

**4. Director's Emoluments**

**2006**

**2005**

£

£

These comprise :

Emoluments

518,444

539,277

518,444

539,277

Information regarding the highest paid director is as follows:

Emoluments

120,656

113,595

**5. Employees**

**Number of employees**

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

**2006  
Number**

**2005  
Number**

Directors

5

5

Business development

15

7

Accounts

24

12

IT

4

4

Customer services

12

20

Operations

295

156

355

204

Staff costs (including directors) consist of :

**2006**

**2005**

£

£

Wages and salaries

6,842,742

5,689,320

Social security costs

727,743

625,943

7,570,485

6,315,263

LEWIS DAY TRANSPORT PLC

Notes to the Financial Statements  
for the year ended 31 March 2006

<b>6. Operating Profit</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Operating profit is stated after charging :		
Depreciation of tangible assets	2,136,117	1,057,926
Amortisation of intangible assets	238,180	250,585
Loss on disposal of fixed assets	31,113	105,007
Operating lease rentals		
-Plant and machinery	35,192	37,618
-Land and buildings	644,189	601,992
Auditors' remuneration-audit services	39,900	35,700
Auditors' remuneration-non audit services	12,000	6,000
	<u>2,896,591</u>	<u>1,994,828</u>
<b>7. Interest payable</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
On bank loans and overdrafts	334,019	354,220
Hire purchase interest	340,991	152,661
	<u>675,010</u>	<u>506,881</u>
<b>8. Taxation on profit on ordinary activities</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
UK Corporation tax	456,851	196,394
Adjustment in respect of prior years		86,153
<b>Total current tax</b>	<u>456,851</u>	<u>282,547</u>
Deferred taxation	(7,313)	59,602
Tax on profit on ordinary activities	<u>449,538</u>	<u>342,149</u>
<b>Factors affecting the tax charge</b>		
The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:		
	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Profit on ordinary activities before tax	<u>1,818,466</u>	<u>821,207</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 29.846 % (2005 - 29.366%)	542,738	241,160
Effects of:		
Disallowed expenses	6,116	14,483
Loss on disposal of fixed assets	9,334	30,837
Excess of capital allowances over depreciation	(101,337)	(90,086)
Losses from prior periods		
Under/(over) provision		86,153
	<u>456,851</u>	<u>282,547</u>

LEWIS DAY TRANSPORT PLC

Notes to the Financial Statements  
for the year ended 31 March 2006

9. Dividends	2006 £	2005 £
Equity shares	-	30,000
Interim-ordinary shares	-	30,000
10. Intangible fixed assets		
	Positive Goodwill £	Negative Goodwill £
Cost		Total £
At 1 April 2005	2,502,576	2,502,576
Additions	-	(120,775)
At 31 March 2006	2,502,576	(120,775)
Amortisation		
At 1 April 2005	457,925	457,925
Charge for the year	250,258	(12,078)
Impairment losses	-	-
At 31 March 2006	708,183	(12,078)
Net Book Value		
At 31 March 2006	1,794,393	(108,697)
At 31 March 2005	2,044,650	-

11. Tangible Assets

Group	Leasehold property	Plant and machinery	Fixtures	Vehicles	Computer equipment	Total
Cost	£	£	£	£	£	£
At 1 April 2005	225,978	814,426	134,851	4,681,049	571,881	6,428,185
Additions	57,921	439,321	41,895	5,272,831	111,311	5,923,279
Disposals	-	-	-	(106,229)	-	(106,229)
At 31 March 2006	283,899	1,253,747	176,746	9,847,651	683,192	12,245,235
Depreciation						
At 1 April 2005	26,111	261,861	54,437	914,046	247,811	1,504,266
Charge for the year	28,390	246,909	30,396	1,721,836	108,583	2,136,114
Disposals	-	-	-	(44,435)	-	(44,435)
At 31 March 2006	54,501	508,770	84,833	2,591,447	356,394	3,595,945
Net Book value						
At 31 March 2006	229,398	744,977	91,913	7,256,204	326,798	8,649,290
At 31 March 2005	199,867	552,565	80,414	3,767,003	324,070	4,923,919

The net book value of plant and machinery held under hire purchase agreements amounts to £114,505 at 31.3.06 (2005 £126,864). Depreciation charged on these assets for the year amounted to £31,716 (2005 £40,213).

The net book value of computer equipment held under hire purchase agreements amounts to £22,751 at 31.3.06 (2005 £30,334). Depreciation charged on these assets for the year amounted to £7,584 (2004 £7,575).

The net book value of motor vehicles held under hire purchase agreements amounts to £7,158,502 at 31.3.06 (2005 £3,709,501). Depreciation charged on these assets for the year amounted to £1,688,338 (2005 £763,207).



LEWIS DAY TRANSPORT PLC

Notes to the Financial Statements  
for the year ended 31 March 2006

11. Tangible Assets (continued)

Company	Leasehold property	Plant and machinery	Fixtures	Vehicles	Computer equipment	Total
Cost	£	£	£	£	£	£
At 1 April 2005	144,850	762,762	125,109	-	541,042	1,573,763
Additions	85,012	445,259	46,315	-	119,431	696,017
Disposals	-	-	-	-	-	-
At 31 March 2006	229,862	1,208,021	171,424	-	660,473	2,269,780
<b>Depreciation</b>						
At 1 April 2005	9,850	247,385	51,815	-	235,008	544,058
Charge for the year	21,793	235,947	29,234	-	105,148	392,122
Disposals	-	-	-	-	-	-
At 31 March 2006	31,643	483,332	81,049	-	340,156	936,180
<b>Net Book value</b>						
At 31 March 2006	198,219	724,689	90,375	-	320,317	1,333,600
At 31 March 2005	135,000	515,377	73,294	-	306,034	1,029,705

The net book value of plant and machinery held under hire purchase agreements amounts to £114,505 at 31.3.06 (2005 £126,864). Depreciation charged on these assets for the year amounted to £31,716 2005 (£40,213).

The net book value of computer equipment held under hire purchase agreements amounts to £22,751 at 31.3.06 (2005 £30,334). Depreciation charged on these assets for the year amounted to £7,584 2005 (£7,575).

Included in additions are £84,048 of assets transferred from Lewis Day Transport (South East) Ltd, at their Net Book Value, under the group reorganisation.

12. Fixed Asset Investments

At cost	The Group		The Company	
	2006 £	2005 £	2006 £	2005 £
Shares in subsidiary undertakings	-	-	8,739	4,504

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

Subsidiary undertakings	Country of registration or incorporation	Ordinary Shares held %
Lewis Day Transport (West London) Limited	England and Wales	70
Lewis Day Transport (South East) Limited	England and Wales	100
Lewis Day Transport (Northern) Limited	England and Wales	75
Lewis Fay Transport (Newcastle) Limited	England and Wales	75
Medical Couriers Limited	England and Wales	100

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

Twelve Trees Unit One Limited	England and Wales	100
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The company is in the business of providing consultancy services.

LEWIS DAY TRANSPORT PLC

Notes to the Financial Statements  
for the year ended 31 March 2006

13. Debtors	The Group		The Company	
	2006 £	2005 £	2006 £	2005 £
Amounts falling due within one year:				
Trade debtors	3,972,715	3,513,195	3,972,715	3,513,195
Other debtors	6,716	-	6,716	-
Amounts owed by group undertakings	-	-	-	331,138
Staff loans	20,001	18,105	15,623	18,105
Corporation tax	-	11,684	-	11,684
Prepayments and accrued income	337,634	616,649	297,584	552,665
	4,337,066	4,159,633	4,292,638	4,426,787
Amounts falling due after more than one year:				
Amounts owed by group undertakings	-	-	693,618	-
Aggregate amounts	4,337,066	4,159,633	4,986,256	4,426,787
14. Creditors : amounts falling due within one year	The Group		The Company	
	2006 £	2005 £	2006 £	2005 £
Bank loans and overdrafts	818,228	1,190,571	818,228	1,190,571
Trade creditors	951,965	634,983	941,124	628,542
Corporation tax	96,353	134,923	30,740	-
Vat	1,087,654	608,065	1,087,654	608,065
Other taxes and social security costs	291,578	200,375	282,612	191,409
Obligations under hire purchase agreements	3,092,644	1,575,335	72,611	69,625
Amounts due to group companies	-	-	-	574,605
	6,338,422	4,344,252	3,232,969	3,262,817
15. Creditors : amounts falling due after one year	The Group		The Company	
	2006 £	2005 £	2006 £	2005 £
Bank loans and overdrafts	1,359,504	2,214,308	1,359,504	2,214,308
Other loans	432,212	452,884	432,212	452,884
Obligations under hire purchase agreements	3,238,806	2,011,015	48,462	103,092
Amounts due to group companies	-	-	821,905	-
Director's current account	245,191	265,191	178,000	198,000
	5,275,713	4,943,398	2,840,083	2,968,284

Amounts due to group companies are interest free. There is no fixed date of repayment.

LEWIS DAY TRANSPORT PLC

Notes to the Financial Statements  
for the year ended 31 March 2006

16. Loans and Overdrafts

Company and Group

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

	The Group		The Company	
	2006	2005	2006	2005
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank overdrafts	283,281	491,238	283,281	491,238
Bank loans	534,947	699,333	534,947	699,333
	<u>818,228</u>	<u>1,190,571</u>	<u>818,228</u>	<u>1,190,571</u>
Amounts falling due between one and two years:				
Bank loans	864,000	538,837	864,000	538,837
Amounts falling between two and five years				
Bank loans	495,504	1,675,471	495,504	1,675,471
Other loans	677,403	718,075	610,212	718,075
	<u>1,172,907</u>	<u>2,393,546</u>	<u>1,105,716</u>	<u>2,393,546</u>

17. Obligations Under Hire Purchase Contracts and Leases

Hire Purchase Contracts

	The Group		The Company	
	2006	2005	2006	2005
	£	£	£	£
Gross obligations repayable:				
Within one year	3,441,263	1,781,323	81,042	80,946
Between one and five years	3,656,527	2,239,187	56,430	118,920
	<u>7,097,790</u>	<u>4,020,510</u>	<u>137,472</u>	<u>199,866</u>
Finance charges repayable:				
Within one year	348,619	205,988	8,431	11,321
Between one and five years	417,721	228,172	7,968	15,828
	<u>766,340</u>	<u>434,160</u>	<u>16,399</u>	<u>27,149</u>
Net obligations repayable:				
Within one year	3,092,644	1,575,335	72,611	69,625
Between one and five years	3,238,806	2,011,015	48,462	103,092
	<u>6,331,450</u>	<u>3,586,350</u>	<u>121,073</u>	<u>172,717</u>

18. Financial Commitments

At 31 March 2006 the group had annual commitments under operating leases as follows :

	The Group			
	Land and Buildings		Other	
	2006	2005	2006	2005
	£	£	£	£
Expiry date:				
Within one year	9,500	-	-	-
Between two and five years	7,000	16,500	30,583	30,583
In over five years	558,111	560,267	-	-
	<u>574,611</u>	<u>576,767</u>	<u>30,583</u>	<u>30,583</u>

LEWIS DAY TRANSPORT PLC

Notes to the Financial Statements  
for the year ended 31 March 2006

18. Financial Commitments (continued)

The Company

	Land and Buildings		Other	
	2006 £	2005 £	2006 £	2005 £
Expiry date:				
Within one year	9,500	-	-	-
Between two and five years	7,000	-	30,583	30,583
In over five years	532,111	456,817	-	-
	548,611	456,817	30,583	30,583

19. Secured Debts

The following secured debts are included within creditors:

	The Group		The Company	
	2006 £	2005 £	2006 £	2005 £
Bank overdrafts	283,281	491,238	283,281	491,238
Bank loans	1,503,797	2,228,854	1,503,797	2,228,854
Hire purchase contracts	6,331,450	3,586,350	121,073	172,717
	8,118,528	6,306,442	1,908,151	2,892,809

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

20. Provisions for liabilities and charges

The Group

The Company

	£	£
At 1.4.05	59,602	55,551
Provision for the year	(7,313)	(4,719)
At 31.3.06	52,289	50,832

21. Share Capital

2006  
£

2005  
£

<b>Authorised</b>		
100,000 Ordinary shares of £1 each	104,160	100,000
<b>Allotted, called-up and fully paid</b>		
1,000,000 Ordinary shares of £1 each	1,000,000	1,000,000

22. Profit and Loss Account

The Group

The Company

	£	£
Retained profits at 1 April 2005	1,508,380	1,138,353
Profit for the year	1,280,275	768,421
Retained profits at 31 March 2006	2,788,655	1,906,774

LEWIS DAY TRANSPORT PLC

Notes to the Financial Statements  
for the year ended 31 March 2006

23. Reconciliation of Movements in Shareholders' Funds

	The Group		The Company	
	2006	2005	2006	2005
	£	£	£	£
Profit for the financial year	1,280,275	376,492	768,421	175,151
Dividends	-	(30,000)	-	(30,000)
	1,280,275	346,492	768,421	145,151
Additional shares issued	4,160	-	4,160	-
Net addition to shareholders' funds	1,284,435	346,492	772,581	145,151
Opening shareholders' funds	1,608,380	1,261,889	1,238,353	1,093,202
Closing shareholders' funds	2,892,815	1,608,380	2,010,934	1,238,353

24. Related Party Transactions

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.

25. Ultimate Controlling Party

Mr H Lewis controls 61% (2005 - 55%) of the issued share capital of Lewis Day Transport plc

26. Reconciliation of operating profit to net cash inflow from operating activities	2006	2005
	£	£
Operating profit	2,488,024	1,324,913
Depreciation of tangible fixed assets	2,136,117	1,057,926
Loss on sale of tangible fixed assets	31,113	105,007
Amortisation of goodwill	238,180	250,258
(Increase)/decrease in debtors	(189,117)	(622,147)
Increase/(decrease) in creditors	887,770	(137,728)
	5,592,087	1,978,229

LEWIS DAY TRANSPORT PLC

Notes to the Financial Statements  
for the year ended 31 March 2005

27. Reconciliation of net cash flow to movement in net debt

	2006 £	2005 £
(Decrease)/Increase in cash	204,457	(145,275)
Cash inflow from increase in debt and lease financing	<u>(1,685,238)</u>	<u>(2,550,136)</u>
Change in net debt resulting from cashflows	(1,480,781)	(2,695,411)
Movement in net debt in the period	<u>(1,480,781)</u>	<u>(2,695,411)</u>
Net debt at 1 April	<u>(7,676,485)</u>	<u>(4,981,074)</u>
Net debt at 31 March	<u>(9,157,266)</u>	<u>(7,676,485)</u>

28. Analysis of net debt

	At 1.4.05 £	Cash flow £	At 31.3.06 £
Cash at bank and in hand	32,819	(3,500)	29,319
Bank overdrafts	<u>(491,238)</u>	<u>207,957</u>	<u>(283,281)</u>
	<u>(458,419)</u>	<u>204,457</u>	<u>(253,962)</u>
Hire Purchase			
within one year	(1,575,335)	(1,517,309)	(3,092,644)
after one year	(2,011,015)	(1,227,791)	(3,238,806)
Debts falling due			
within one year	(1,238,170)	703,223	(534,947)
after one year	<u>(2,393,546)</u>	<u>356,639</u>	<u>(2,036,907)</u>
	<u>(7,218,066)</u>	<u>(1,685,238)</u>	<u>(8,903,304)</u>
Total	<u>(7,676,485)</u>	<u>(1,480,781)</u>	<u>(9,157,266)</u>