# WARRENS TRANSPORT LIMITED

**FINANCIAL STATEMENTS**

**31 OCTOBER 2002**

**COMPANY REGISTRATION NUMBER 00073621**




menzies | chartered accountants

Farnborough ● Farnham ● Kingston upon Thames ● Leatherhead ● Portsmouth ● Staines ● Walton-on-Thames ● Woking

# WARRENS TRANSPORT LIMITED

**FINANCIAL STATEMENTS**

**YEAR ENDED 31 OCTOBER 2002**

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# WARRENS TRANSPORT LIMITED

## OFFICERS AND PROFESSIONAL ADVISERS

| | |
|---|---|
| **THE BOARD OF DIRECTORS** | S P Austen<br>R Turner<br>G H Warren<br>R L Warren |
| **COMPANY SECRETARY** | S P Austen |
| **REGISTERED OFFICE** | 1a Westbrook Walk<br>Market Square<br>Alton<br>Hampshire<br>GU34 1HZ |
| **AUDITORS** | Menzies<br>Chartered Accountants<br>& Registered Auditors<br>Longbridge House<br>3 Downing Street<br>Farnham<br>Surrey<br>GU9 7PA |
| **BANKERS** | National Westminster Bank Plc<br>38 High Street<br>Alton<br>Hants<br>GU34 1BD |

# WARRENS TRANSPORT LIMITED

## THE DIRECTORS' REPORT

## YEAR ENDED 31 OCTOBER 2002

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 October 2002.

### PRINCIPAL ACTIVITIES

The principal activity of the company during the year was that of a coach operator.

### THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

| | Ordinary Shares of £1 each | |
|---|---|---|
| | **At 31 October 2002** | At 1 November 2001 |
| S P Austen | 54,468 | 54,468 |
| R Turner | – | – |
| G H Warren | 35,749 | 35,749 |
| R L Warren | 8,177 | 8,177 |

### INTRODUCTION OF THE EURO

The directors have reviewed the potential impact associated with the introduction of the Euro, but consider that there should be no adverse effect on the company or its business.

### DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on page 6, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### AUDITORS

A resolution to re-appoint Menzies as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

### SMALL COMPANY PROVISIONS

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

Registered office:
1a Westbrook Walk
Market Square
Alton
Hampshire
GU34 1HZ

Signed by order of the directors



S P Austen
Company Secretary

Approved by the directors on 18 November 2003

# WARRENS TRANSPORT LIMITED

## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS

## YEAR ENDED 31 OCTOBER 2002

We have audited the financial statements on pages 4 to 10 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out on page 6.

This report is made solely to the company's shareholders, 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 shareholders 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 the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

### RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and Accounting Standards are set out in the Statement of Directors' Responsibilities on page 2.

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 Directors' Report is not consistent with the financial statements, if the company 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 is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it. Our responsibilities do not extend to any other information.

### BASIS OF AUDIT 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 judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 October 2002 and of its loss for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

MENZIES
Chartered Accountants
& Registered Auditors

Longbridge House
3 Downing Street
Farnham
Surrey
GU9 7PA

18 November 2003

# WARRENS TRANSPORT LIMITED

## PROFIT AND LOSS ACCOUNT

## YEAR ENDED 31 OCTOBER 2002

| | Note | 2002 £ | 2001 £ |
|---|---|---|---|
| **TURNOVER** | | 1,200,711 | 1,166,829 |
| Cost of sales | | 1,021,998 | 913,222 |
| **GROSS PROFIT** | | 178,713 | 253,607 |
| Administrative expenses | | 195,351 | 208,056 |
| Other operating income | 2 | (2,515) | (5,000) |
| **OPERATING (LOSS)/PROFIT** | 3 | (14,123) | 50,551 |
| Interest payable | | 42,690 | 47,397 |
| **(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION** | | (56,813) | 3,154 |
| Tax on (loss)/profit on ordinary activities | 5 | (5,126) | 6,042 |
| **LOSS FOR THE FINANCIAL YEAR** | | (51,687) | (2,888) |

**The notes on pages 6 to 10 form part of these financial statements.**

# WARRENS TRANSPORT LIMITED

## BALANCE SHEET

## 31 OCTOBER 2002

| | Note | 2002 £ | 2002 £ | 2001 £ | 2001 £ |
|---|---|---|---|---|---|
| **FIXED ASSETS** | | | | | |
| Tangible assets | 7 | | 1,075,900 | | 1,175,570 |
| **CURRENT ASSETS** | | | | | |
| Stocks | | 6,250 | | 6,600 | |
| Debtors | 8 | 233,909 | | 167,948 | |
| Cash at bank | | 30,000 | | 70,000 | |
| | | 270,159 | | 244,548 | |
| **CREDITORS: Amounts falling due within one year** | 9 | 841,072 | | 515,732 | |
| **NET CURRENT LIABILITIES** | | | (570,913) | | (271,184) |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | | 504,987 | | 904,386 |
| **CREDITORS: Amounts falling due after more than one year** | 10 | | 366,064 | | 708,650 |
| | | | 138,923 | | 195,736 |
| **PROVISIONS FOR LIABILITIES AND CHARGES** | | | | | |
| Deferred taxation | 11 | | – | | 5,126 |
| | | | 138,923 | | 190,610 |
| **CAPITAL AND RESERVES** | | | | | |
| Called-up equity share capital | 13 | | 104,374 | | 104,374 |
| Profit and loss account | 14 | | 34,549 | | 86,236 |
| **SHAREHOLDERS' FUNDS** | | | 138,923 | | 190,610 |

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

These financial statements were approved by the directors on the 18 November 2003 and are signed on their behalf by:

S P Austen

**The notes on pages 6 to 10 form part of these financial statements.**

## 1. ACCOUNTING POLICIES

### Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

### Turnover

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

### Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

| | | |
|---|---|---|
| Motor Coaches | - | 10% on cost |
| Motor Vehicles | - | 25% net book value |
| Office Equipment | - | 25% net book value |
| Maintenance Equipment | - | 20% on cost |

### Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

### Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on either the sum of the digits or straight line basis, whichever is considered more appropriate.

### Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

### Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

### Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

Deferred tax assets are recognised only to the extent that the directors consider that it is 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 is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

## 2. OTHER OPERATING INCOME

| | 2002 £ | 2001 £ |
|---|---|---|
| Rent receivable | 2,515 | 5,000 |

## 3. OPERATING (LOSS)/PROFIT

Operating (loss)/profit is stated after charging/(crediting):

| | 2002 £ | 2001 £ |
|---|---|---|
| Staff pension contributions | 2,508 | 2,508 |
| Depreciation of owned fixed assets | 32,150 | 31,567 |
| Depreciation of assets held under hire purchase agreements | 104,109 | 98,315 |
| Profit on disposal of fixed assets | – | (9,607) |
| Auditors' fees | 5,400 | 6,000 |

## 4. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

| | 2002 £ | 2001 £ |
|---|---|---|
| Aggregate emoluments | 33,191 | 30,763 |
| Value of company pension contributions to money purchase schemes | 4,384 | 4,586 |
| | 37,575 | 35,349 |

The number of directors who are accruing benefits under company pension schemes was as follows:

| | 2002 No | 2001 No |
|---|---|---|
| Money purchase schemes | 2 | 3 |

## 5. TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES

| | 2002 £ | 2001 £ |
|---|---|---|
| Current tax: | | |
| UK Corporation tax based on the results for the year | – | 916 |
| Total current tax | – | 916 |
| Deferred tax: | | |
| (Decrease)/Increase in deferred tax provision | | |
| Capital allowances | (5,126) | 5,126 |
| Tax on (loss)/profit on ordinary activities | (5,126) | 6,042 |

## 6. PENSION COMMITMENTS

The company provides pension benefits for certain of its employees under money purchase schemes. Contributions during the year, which are charged to the profit and loss account as payable, amounted to £6,892 (2001 - £7,094).

## 7. TANGIBLE FIXED ASSETS

| | Freehold Property £ | Motor Coaches £ | Motor Cars £ | Office Equipment £ | Maintenance Equipment £ | Total £ |
|---|---|---|---|---|---|---|
| **COST** | | | | | | |
| At 1 Nov 2001 | 306,041 | 1,296,660 | 40,357 | 12,859 | 12,000 | 1,667,917 |
| Additions | – | 7,900 | 28,689 | – | – | 36,589 |
| **At 31 Oct 2002** | 306,041 | 1,304,560 | 69,046 | 12,859 | 12,000 | 1,704,506 |
| **DEPRECIATION** | | | | | | |
| At 1 Nov 2001 | – | 449,027 | 20,603 | 10,717 | 12,000 | 492,347 |
| Charge for the year | – | 123,371 | 12,353 | 535 | – | 136,259 |
| **At 31 Oct 2002** | – | 572,398 | 32,956 | 11,252 | 12,000 | 628,606 |
| **NET BOOK VALUE** | | | | | | |
| **At 31 Oct 2002** | 306,041 | 732,162 | 36,090 | 1,607 | – | 1,075,900 |
| At 31 Oct 2001 | 306,041 | 847,633 | 19,754 | 2,142 | – | 1,175,570 |

**Hire purchase agreements**
Included within the net book value of £1,075,900 is £686,859 (2001 - £754,378) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £104,109 (2001 - £98,315).

## 8. DEBTORS

| | 2002 £ | 2001 £ |
|---|---|---|
| Trade debtors | 79,541 | 68,581 |
| VAT recoverable | 20,585 | 14,824 |
| Other debtors | 133,783 | 84,543 |
| | 233,909 | 167,948 |

## 9. CREDITORS: Amounts falling due within one year

| | 2002 £ | 2001 £ |
|---|---|---|
| Bank loans and overdrafts | 226,129 | 112,138 |
| Trade creditors | 67,316 | 80,115 |
| Corporation tax | 916 | 916 |
| Other taxation and social security | 23,955 | 25,923 |
| Hire purchase agreements | 196,936 | 128,043 |
| Other creditors | 325,820 | 168,597 |
| | 841,072 | 515,732 |

The following liabilities disclosed under creditors falling due within one year are secured by the company:

| | 2002 £ | 2001 £ |
|---|---|---|
| Bank loans and overdrafts | 226,129 | 112,138 |

The bank loans and overdrafts are secured by a mortgage debenture over some of the company's freehold properties and by charges over personal property of the directors.

## 10. CREDITORS: Amounts falling due after more than one year

| | 2002 £ | 2001 £ |
|---|---|---|
| Bank loans and overdrafts | – | 175,061 |
| Hire purchase agreements | 366,064 | 533,589 |
| | 366,064 | 708,650 |

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

| | 2002 £ | 2001 £ |
|---|---|---|
| Bank loans and overdrafts | – | 175,061 |

The bank loans and overdrafts are secured by a mortgage debenture over some of the company's freehold properties and by charges over personal property of the directors.

£14,417 of the hire purchase agreements falls due for payment after more than five years from the balance sheet date.

## 11. DEFERRED TAXATION

| | 2002 £ | 2001 £ |
|---|---|---|
| The movement in the deferred taxation provision during the year was: | | |
| Provision brought forward | 5,126 | – |
| Profit and loss account movement arising during the year | (5,126) | 5,126 |
| Provision carried forward | – | 5,126 |

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

| | 2002 £ | 2001 £ |
|---|---|---|
| Excess of taxation allowances over depreciation on fixed assets | – | 5,126 |
| | – | 5,126 |

## 12. RELATED PARTY TRANSACTIONS

a) Other debtors under note 7 includes £95,674 (2001 - £63,386) due from businesses in which S P Austen and R L Warren, who are directors of the company, have an interest. These amounts are interest free and are covered by loans made by S P Austen and R L Warren to the company totalling £271,017 (2001 - £116,582).

b) These businesses were charged net service and management charges amounting to £17,500 (2001 - £47,500) for the use of shared resources with the company.

c) Other creditors under note 8 include loans made by the directors to the company totalling £302,451 (2001 - £148,016). These loans are unsecured, interest free, and are considered to be repayable on demand.

## 13. SHARE CAPITAL

**Authorised share capital:**

| | 2002 £ | 2001 £ |
|---|---|---|
| 105,000 Ordinary shares of £1 each | 105,000 | 105,000 |

**Allotted, called up and fully paid:**

| | 2002 | | 2001 | |
|---|---|---|---|---|
| | No | £ | No | £ |
| Ordinary shares of £1 each | 104,374 | 104,374 | 104,374 | 104,374 |

## 14. PROFIT AND LOSS ACCOUNT

| | 2002 £ | 2001 £ |
|---|---|---|
| Balance brought forward | 86,236 | 89,124 |
| Accumulated loss for the financial year | (51,687) | (2,888) |
| Balance carried forward | 34,549 | 86,236 |

## 15. CONTROLLING PARTY

The company is controlled by S P Austen by virtue of his controlling interest in issued share capital of the company.