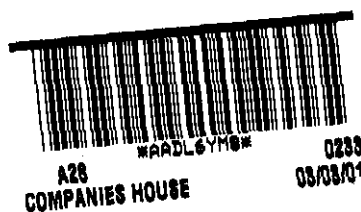


**HILL & SONS (BOTLEY &
DENMEAD) LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 JUNE 2000



HILL & SONS (BOTLEY & DENMEAD) LIMITED

FINANCIAL STATEMENTS

For the year ended 30 June 2000

Company registration number: 403721

Registered office: Hillsons Road
Bottings Industrial Estate
Botley
Southampton
SO30 2GE

Directors: C J Hill

Secretary: Mrs S Hill

Bankers: National Westminster Bank
130 Commercial Road
Portsmouth
Hampshire
PO1 1ES

Auditors: Grant Thornton
Registered auditors
Chartered accountants

HILL & SONS (BOTLEY & DENMEAD) LIMITED

FINANCIAL STATEMENTS

For the year ended 30 June 2000

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HILL & SONS (BOTLEY & DENMEAD) LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with financial statements for the year ended 30 June 2000.

Principal activities

The company is principally engaged in the trade of general hauliers.

Business review

There was a profit for the year after taxation amounting to £19,689 (1999: profit £84,595). The directors do not recommend payment of a dividend.

Directors

The interests of the directors and their families in the shares of the company as at 30 June 2000 and 1 July 1999, were as follows:

	Ordinary shares	
	30 June 2000	1 July 1999
Mr C J Hill	11,932	11,932

Directors' responsibilities for the financial statements

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 profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

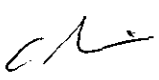
- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for maintaining proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

Grant Thornton offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD


C J Hill
Director
26 January 2001

**REPORT OF THE AUDITORS TO THE MEMBERS OF
HILL & SONS (BOTLEY & DENMEAD) LIMITED**

We have audited the financial statements on pages 3 to 10 which have been prepared under the accounting policies set out on page 3.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

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 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 30 June 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Grant Thornton

**GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS**

26 January 2001

HILL & SONS (BOTLEY & DENMEAD) LIMITED

PRINCIPAL ACCOUNTING POLICIES

BASIS OF PREPARATION

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

The principal accounting policies of the company have remained unchanged from the previous year and are set out below.

TURNOVER

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

DEPRECIATION

In the case of motor vehicles and plant and machinery, depreciation is calculated on the reducing balance method and aims to write down the cost of all fixed assets over their expected useful lives.

The rates generally applicable are:-

Freehold buildings	2 % and 10%
Plant and machinery	10%
Vehicles and trailers	10%

STOCKS

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

Cost means an estimated cost placed on it by the directors. Net realisable value means estimated selling price.

DEFERRED TAXATION

Deferred tax is provided for using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise. Unprovided deferred tax is disclosed as a contingent liability.

Debit balances arising in respect of advance corporation tax on dividends payable or proposed are carried forward to the extent that they are expected to be recoverable.

CONTRIBUTIONS TO PENSION FUNDS

Defined contribution scheme

The pension costs charged against profits represent the amount of the contributions payable to the scheme in respect of the accounting period.

LEASED ASSETS

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

All other leases are regarded as operating leases and the payments made under these are charged to the profit and loss account on a straight line basis over the term of the lease.

HILL & SONS (BOTLEY & DENMEAD) LIMITED**PROFIT AND LOSS ACCOUNT**

For the year ended 30 June 2000

	Note	2000 £	1999 (restated) £
Turnover	1	640,565	657,381
Cost of sales		(515,188)	(490,160)
Gross profit		125,377	167,221
Administrative expenses		(183,143)	(171,376)
Other operating income		112,060	95,839
Operating profit		54,294	91,684
Exceptional items			
Loss on sale of fixed assets		(1,402)	3,372
Net interest	2	(15,270)	549
Profit on ordinary activities before taxation	1	37,622	95,605
Tax on profit on ordinary activities	4	(17,933)	(11,010)
Profit transferred to reserves		19,689	84,595

STATEMENT OF RETAINED EARNINGS

		2000 £	1999 £
At 1 July 1999		646,648	564,032
Prior year adjustment	5	1,979	-
Retained reserves at 1 July 1999 as restated		648,627	564,032
Retained profit for the year		19,689	84,595
At 30 June 2000		668,316	648,627

There were no recognised gains or losses other than the profit for the financial year.

The accompanying accounting policies and notes form an integral part of these financial statements.

HILL & SONS (BOTLEY & DENMEAD) LIMITED**BALANCE SHEET AT 30 JUNE 2000**

	Note	2000 £	1999 (restated) £
Fixed assets			
Tangible assets	6	1,007,284	426,505
Current assets			
Stocks	7	5,600	6,538
Debtors	8	131,309	188,103
Cash at bank and in hand		58,044	398,459
		<u>194,953</u>	<u>593,100</u>
Creditors: amounts falling due within one year	9	<u>(243,727)</u>	<u>(247,368)</u>
Net current liabilities		<u>(48,774)</u>	<u>345,732</u>
Total assets less current liabilities		<u>958,510</u>	<u>772,237</u>
Creditors: amounts falling due after more than one year	10	<u>(241,408)</u>	<u>(74,824)</u>
		<u><u>717,102</u></u>	<u><u>697,413</u></u>
Capital and reserves			
Called up share capital	13	16,100	16,100
Revaluation reserve	14	29,686	29,686
Capital redemption reserve	14	3,000	3,000
Profit and loss account		668,316	648,627
Shareholders' funds	15	<u><u>717,102</u></u>	<u><u>697,413</u></u>

The financial statements were approved by the Board of Directors on 26 January 2001.

C J Hill



Director

The accompanying accounting policies and notes form an integral part of these financial statements.

HILL & SONS (BOTLEY & DENMEAD) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2000

1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The profit on ordinary activities is stated after:

	2000 £	1999 £
Auditors' remuneration:		
Audit services	2,500	2,500
Non-audit services	10,420	9,387
Depreciation and amortisation:		
Tangible fixed assets, owned	30,157	28,660
Tangible fixed assets, held under finance leases and hire purchase contracts	15,523	15,523
Hire of plant and machinery	337,787	311,593

2 NET INTEREST

	2000 £	1999 £
On bank loans and overdrafts	15,500	7,741
Finance charges in respect of finance leases	1,129	471
Other interest receivable and similar income	(1,359)	(8,761)
	15,270	(549)

3 DIRECTORS AND EMPLOYEES

Staff costs during the year were as follows:

	2000 £	1999 £
Wages and salaries	92,931	74,709
Social security costs	5,454	8,672
Other pension costs	8,246	7,595
	106,631	90,976

The average number of employees of the company during the year was 4 (1999: 4).

Remuneration in respect of directors was as follows:

	2000 £	1999 £
Emoluments	53,284	60,418
Pension contributions to money purchase pension schemes	8,246	7,595
	61,530	68,013

HILL & SONS (BOTLEY & DENMEAD) LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 30 June 2000

4 TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge represents:

	2000 £	1999 £
UK Corporation tax at 20% (1999: 24%)	<u>17,933</u>	<u>11,010</u>

5 PRIOR YEAR ADJUSTMENT

The prior year adjustment arises because in the accounts for the year ended 30 June 1999 a motor vehicle which was being rented was treated as a fixed asset addition. Whilst the effect of this in profit terms is not material the adjustment has been made because the balance sheet change is material.

6 TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Plant and machinery £	Motor vehicles £	Total £
Cost or valuation				
At 1 July 1999	117,041	50,602	549,066	716,709
Additions	634,131	3,522	5,209	642,862
	751,172	54,124	554,275	1,359,571
Disposals	-	-	(25,000)	(25,000)
At 30 June 2000	751,172	54,124	529,275	1,334,571
Depreciation				
At 1 July 1999	52,713	38,315	199,177	290,205
Provided in the year	10,177	1,581	33,922	45,680
	62,890	39,896	233,099	335,885
Eliminated on disposals	-	-	(8,598)	(8,598)
At 30 June 2000	62,890	39,896	224,501	327,287
Net book amount at 30 June 2000	<u>688,282</u>	<u>14,228</u>	<u>304,774</u>	<u>1,007,284</u>
Net book amount at 30 June 1999	<u>64,328</u>	<u>12,287</u>	<u>349,889</u>	<u>426,504</u>

The figures stated above include assets held under finance leases. The net book amount of these assets at 30 June 2000 equalled £29,565 and the depreciation provided during the year on these assets was £3,850.

HILL & SONS (BOTLEY & DENMEAD) LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 30 June 2000

7 STOCKS

	2000 £	1999 £
Consumable stores	<u>5,600</u>	<u>6,538</u>

8 DEBTORS

	2000 £	1999 £
Trade debtors	124,105	181,099
Other debtors	704	704
Prepayments and accrued income	<u>6,500</u>	<u>6,300</u>
	<u>131,309</u>	<u>188,103</u>

9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2000 £	1999 £
Bank loans and overdrafts	14,296	8,844
Trade creditors	108,375	145,913
Amounts owed to connected companies	-	5,218
Corporation tax	17,933	11,010
Social security and other taxes	51,576	22,322
Other creditors	18,441	15,000
Accruals and deferred income	24,578	24,728
Amounts due under finance leases	<u>8,528</u>	<u>14,333</u>
	<u>243,727</u>	<u>247,368</u>

10 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2000 £	1999 £
Bank loan	241,408	65,116
Amounts due under finance leases	-	<u>9,708</u>
	<u>241,408</u>	<u>74,824</u>

The bank loan is secured by a fixed and floating charge over the company's assets. The bank loan is repayable in equal monthly instalments from September 1995 to August 2009.

HILL & SONS (BOTLEY & DENMEAD) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2000

Borrowings are repayable as follows:

	2000 £	1999 £
Within one year		
Bank and other borrowings	14,296	8,844
Finance leases	8,528	14,333
After one and within two years		
Bank and other borrowings	18,658	9,818
Finance leases	-	9,708
After two and within five years		
Bank and other borrowings	67,394	36,420
After five years		
Bank and other borrowings	155,356	18,878
	<u>264,232</u>	<u>98,001</u>

Bank and other borrowings repayable after five years comprise:

	2000 £	1999 £
Bank loans	<u>155,356</u>	<u>18,878</u>

11 DEFERRED TAXATION

There is no deferred taxation provision in the accounts for the year ended 30 June 2000 due to available trading losses.

12 LEASING COMMITMENTS

Operating lease payments amounting to £47,490 (1999: £43,532) are due within one year. The leases to which these amounts relate expire as follows:

	2000 Other £	1999 Other £
Between one and five years	<u>23,745</u>	<u>21,766</u>

13 SHARE CAPITAL

	2000 £	1999 £
Authorised		
Ordinary share of £1 each	<u>20,000</u>	<u>20,000</u>
Allotted, called up and fully paid		
Ordinary share of £1 each	<u>16,100</u>	<u>16,100</u>

HILL & SONS (BOTLEY & DENMEAD) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2000

14 RESERVES

	Revaluation reserve £	Capital redemption reserve £
At 1 July 1999 as previously stated	29,686	3,000
Prior year adjustment	-	-
Retained reserves at 1 July 1999 as restated	29,686	3,000
At 30 June 2000	<u>29,686</u>	<u>3,000</u>

15 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000 £	1999 £
Profit for the financial year	19,689	84,595
Net increase in shareholders' funds	19,689	84,595
Shareholders' funds at 1 July 1999	697,413	612,818
Shareholders' funds at 30 June 2000	<u>717,102</u>	<u>697,413</u>

16 CAPITAL COMMITMENTS

The company had no capital commitments at 30 June 2000 or 30 June 1999.

17 CONTINGENT LIABILITIES

There were no contingent liabilities at 30 June 2000 or 30 June 1999.

18 PENSIONS

Defined Contribution Scheme

The company contributes to a defined contribution pension scheme for the benefit of a director. The assets of the scheme are administered by trustees in a fund independent from those of the company.

The pension cost charge for the year was £8,246 (1999 £7,596).