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Bulkhaul Limited
Annual report and accounts
for the 18 month period ended 30 June 2011

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Bulkhaul Limited
Annual report and accounts
for the period ended 30 June 2011
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Bulkhaul Limited

Directors' report for the period ended 30 June 2011

The directors present their report and the audited consolidated financial statements of the group for the period ended 30 June 2011. The company's registered number is 1603021.

During the period the company changed its year end to 30 June. Accordingly, these financial statements are prepared for the 18 month period to 30 June 2011.

Business review and principal activities

The principal activity of the group continues to be the provision of international tank container services.

The results for the financial period show a profit on ordinary activities before taxation of £59,571,905 (2009 £35,603,315) and turnover of £280,105,603 (2009 £155,312,518). The group has net assets of £156,458,490 (2009 £117,772,092).

The directors have paid an interim dividend of £296.40 per £1 share amounting to £7,410,000 (2009 £1,152.80 per £1 share amounting to £28,820,000). They recommend that no final dividend be declared in respect of the year (2009 £nil).

Profitability within the tank container industry, like all other sectors, has been adversely affected by the economic recession which prevailed throughout this reporting period. Although the recession is worldwide there have been a few countries and geographical regions which have suffered to a lesser degree than others. The company has once again proved successful in identifying, targeting and maximising the available benefits within these markets.

This has demonstrated the benefits of having in place an established network of global subsidiaries and agent partners particularly in emerging economies.

Throughout this difficult period the company has committed to its long term confident outlook by taking delivery of a significant number of newly built tanks to increase its already considerable fleet of owned tank containers.

Future outlook

It is the opinion of the Directors that the progress and development of the group can be continued throughout the forthcoming year despite the continuing adverse economic environment.

The Company is currently in the process of restructuring and is increasing its existing loan financing facilities. This is scheduled to be completed imminently and a more detailed explanation is to be found under note 29.

The new facilities provide the Company with the continued ability to invest in capital expenditure both in relation to tank purchases and further development of existing tank maintenance facilities.

Principal risks and uncertainties

The key business risks affecting the companies within the group are considered to relate to global freight pricing and fluctuations in foreign exchange and interest rates.

Bulkhaul Limited

Global Freight Rates

The key measure of the Company's performance relies upon the global freight rates. These have always been subject to considerable cyclical fluctuations. The Company's success is built upon the ability to manage this volatility through careful control of its long term contractual business and adhoc/spot business together with careful monitoring and management of its operational and overhead cost base.

Key performance indicators (KPI's)

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

Financial risk management

The group's operations expose it to a variety of financial risks that include the effects of market risk (including cash flow interest rate risk), credit risk, liquidity risk and foreign exchange risk. The group monitors the risks in order to limit the adverse effects on the financial performance.

Market risk (including cash flow interest rate risk)

The group's interest rate risk arises from long term borrowings which are issued at variable rates that expose the group to cash flow interest rate risk.

The interest exposure of the group is managed within the constraints of the group's business plan and the financial covenants under its facilities.

Credit risk

Credit risk arises from cash and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding debtors. The group has implemented policies that require appropriate credit checks on potential customers before sales are made and for banks and financial institutions, only independently rated parties with a minimum rating of "A" are accepted.

Liquidity risk

The group actively maintains a mixture of long-term and short-term debt finance that is designed to ensure the group has sufficient funds available for operations and planned expansions.

Foreign exchange risk

The group is exposed to foreign exchange risk as a result of its operation. This risk is managed through a range of various hedging instruments.

Bulkhaul Limited

Directors

The directors of the company who were in office during the period and up to the date of signing the financial statements were

M O'Neill (Managing Director)

S M Coleby

T Jackson

J G Trenholm

S Gibson (appointed 4 May 2011)

Charitable donations

The donations made by the group during the period for charitable purposes amounted to £42,603 (2009 £51,560) The charities provide activities for under privileged children and funding to other local Tees Valley charities and organisations

Employees

Information on matters of concern to employees is communicated on a regular basis to seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance

The group is committed to employment policies, which follow best practice, based on equal opportunities for all employees, irrespective of sex, race, colour, disability or marital status and offers appropriate training and career development for disabled staff If members of staff become disabled the group continues employment wherever possible and arranges retraining

It is the group's policy that disabled people should receive full and fair consideration for all job vacancies for which they are suitable applicants Employees who become disabled during their working life will be retained in employment wherever possible and will be given help with any necessary rehabilitation and retraining The group is prepared to modify procedures or equipment, wherever this is practicable, so that full use can be made of an individual's abilities

Bulkhaul Limited

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group and Company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who is a director at the date of approval of this report confirms that

- so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of 418 of the Companies Act 2006

By order of the board



T Jackson

Company Secretary

31 January 2012

Bulkhaul Limited

Independent auditors' report to the members of Bulkhaul Limited

We have audited the group and parent company financial statements (the "financial statements") of Bulkhaul Limited for the period ended 30 June 2011 which comprise the consolidated profit and loss account, the group and company balance sheets, the consolidated cash flow statement, the statement of accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 4 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report and accounts to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 30 June 2011 and of the group's profit and cash flows for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Bulkhaul Limited

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Mark Webster (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Newcastle upon Tyne
31 January 2012

Bulkhaul Limited

Consolidated profit and loss account for the period ended 30 June 2011

	Note	18 month period ended 30 June 2011 £	Year ended 31 December 2009 £
Turnover	1	280,105,603	155,312,518
Cost of sales		(161,901,230)	(85,134,502)
Gross profit		118,204,373	70,178,016
Other operating expenses	2	(48,855,053)	(32,942,102)
Operating profit		69,349,320	37,235,914
Share of operating profit of associates		-	105,498
Interest receivable and similar income	5	16,469	14,661
Interest payable and similar charges	6	(9,793,884)	(1,752,758)
Profit on ordinary activities before taxation	7	59,571,905	35,603,315
Taxation on profit on ordinary activities	8	(13,475,507)	(9,666,776)
Profit for the financial period		46,096,398	25,936,539
Dividends	10	(7,410,000)	(28,820,000)
Retained profit / (loss) for the financial period	20	38,686,398	(2,883,461)

All of the group's operations are continuing

The group has no recognised gains and losses other than those included in the profits above, and therefore no separate statement of total gains and losses has been presented

There is no difference between the profit on ordinary activities before taxation and the profit on ordinary activities after taxation for the periods stated above, and their historical cost equivalents

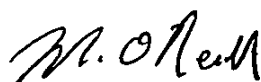
Bulkhaul Limited

Balance sheets as at 30 June 2011

	Note	Group		Company	
		30 June 2011	December 2009	30 June 2011	December 2009
		£	£	£	£
Fixed assets					
Tangible assets	11	203,082,820	191,774,617	185,786,689	173,984,405
Investments	12	-	241,267	11,976,335	11,982,395
		203,082,820	192,015,884	197,763,024	185,966,800
Current assets					
Stocks	13	495,872	1,817,102	426,682	1,761,760
Debtors	14	107,686,223	83,581,003	109,348,678	85,599,131
Cash at bank and in hand		10,273,689	14,740,553	10,007,201	14,398,022
		118,455,784	100,138,658	119,782,561	101,758,913
Creditors: amounts falling due within one year	15	(67,839,807)	(67,378,071)	(68,511,760)	(66,597,455)
Net current assets		50,615,977	32,760,587	51,270,801	35,161,458
Total assets less current liabilities		253,698,797	224,776,471	249,033,825	221,128,258
Creditors: amounts falling due after more than one year	16	(69,637,933)	(81,980,941)	(64,834,980)	(78,919,172)
Deferred taxation	17	(27,602,374)	(25,023,438)	(27,594,761)	(25,015,588)
Net assets		156,458,490	117,772,092	156,604,084	117,193,498
Capital and reserves					
Called up share capital	19	25,000	25,000	25,000	25,000
Capital reserve	20	440	440	-	-
Profit and loss account	20	156,433,050	117,746,652	156,579,084	117,168,498
Total shareholders' funds	21	156,458,490	117,772,092	156,604,084	117,193,498

The financial statements on pages 7 to 31 were approved by the board of directors on 31 January 2012 and were signed on its behalf by

M O'Neill
Director



Company registered number 1603021

Bulkhaul Limited

Consolidated cash flow statement for the period ended 30 June 2011

	Note	18 month period ended 30 June 2011 £	Year ended 31 December 2009 £
Net cash inflow from continuing operating activities	22	57,741,960	45,503,318
Returns on investments and servicing of finance			
Interest received		16,221	14,942
Issue costs paid for finance		-	(923,041)
Interest paid		(7,875,164)	(772,499)
Interest paid on finance leases		(2,110,184)	(811,343)
Net cash outflow from returns on investments and servicing of finance		(9,969,127)	(2,491,941)
Taxation			
UK corporation tax (paid)/refunded		(1,219,416)	25,063
Net overseas tax paid		(257,105)	(150,067)
Tax paid		(1,476,521)	(125,004)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(24,848,270)	(17,267,701)
Sale of tangible fixed assets		637,372	310,810
Net cash outflow from capital expenditure		(24,210,898)	(16,956,891)
Acquisitions and disposals			
Sale of investments		932,000	-
Net cash inflow from acquisitions and disposals		932,000	-
Dividends paid		(7,410,000)	(28,820,000)
Net cash inflow/(outflow) before financing		15,607,414	(2,890,518)
Financing			
Loans received		4,171,770	74,698,728
Loans advanced to fellow subsidiary		-	(49,191,500)
Inception of finance leases		24,621,252	24,360,000
Repayment of loans		(16,140,083)	(16,129,989)
Payment of principal under finance leases		(32,727,217)	(21,155,313)
Net cash (outflow)/inflow from financing		(20,074,278)	12,581,926
(Decrease)/increase in cash	23	(4,466,864)	9,691,408

Bulkhaul Limited

Statement of accounting policies

Basis of accounting

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

Basis of consolidation

The consolidated financial statements include the results of the company and all its subsidiaries. Uniform accounting policies have been applied by the company and all its subsidiaries. The results of subsidiaries acquired or disposed of during the year are included in the consolidated profit and loss account from the date of their acquisition and up to the date of their disposal. Intra group sales and profits are eliminated fully on consolidation.

Associated undertakings

Associated undertakings are accounted for in the consolidated financial statements under the equity method of accounting.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition or the cost of any subsequent enhancement. Depreciation is calculated so as to write off the cost of fixed assets to their estimated residual values on a straight line basis over the expected useful lives of the assets concerned. The expected useful lives of the assets to the business are reassessed periodically in the light of experience. The annual rates used for this purpose are

	Estimated useful economic life
Long leasehold land	50 years
Freehold buildings	50 years
Commercial vehicles and tanks	5 – 15 years
Motor vehicles	4 years
Fixtures and fittings	5 – 10 years

Freehold land is not depreciated.

Operating leases, hire purchase and finance lease agreements

Costs in respect of operating leases are charged on a straight line basis over the lease term. Leasing agreements which transfer to the group substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital element of the leasing commitments is shown as hire purchase and finance lease obligations. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against profit so as to give a constant periodic rate of charge on the remaining balance outstanding at each accounting year. Assets held under hire purchase and finance lease agreements are depreciated over the useful lives of the assets.

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Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is determined on a first-in first-out basis, and includes all direct costs incurred and attributable production overheads. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for obsolete, slow moving and defective stocks.

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet, except for certain exemptions which under Financial Reporting Standard 19 should not be recognised.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred taxation is measured on a non-discounted basis at the average tax rates that are expected to apply in the period in which timing differences reverse, based on taxation rates and law enacted or substantively enacted at the balance sheet date.

Foreign currencies

Monetary assets and liabilities expressed in foreign currencies are translated into sterling at rates of exchange ruling at the date of the balance sheet or at the agreed contractual rate. Transactions in foreign currency are converted to sterling at the rate ruling at the date of the transaction. All differences on exchange are taken to the profit and loss account.

Where overseas subsidiaries act as selling agents for the company the financial statements are translated to sterling on the following basis:

- (a) Fixed assets are translated into sterling at the rates ruling on the date of acquisition as adjusted for any profits or losses from related financial instruments.
- (b) Monetary assets and liabilities denominated in a foreign currency are translated into sterling at the foreign exchange rates ruling at the balance sheet date or at the agreed contractual rate.
- (c) Revenue and expenses in foreign currencies are recorded in sterling at the rates ruling at the dates of the transactions.
- (d) Any gains or losses arising on translation are reported as part of profit.

All other exchange differences are dealt with in the profit and loss account.

Pension costs

The group operates several defined contribution schemes. The employer's contributions are charged to the profit and loss account in the year in which the liability to pay arises.

Bulkhaul Limited

Turnover

Turnover represents amounts invoiced for goods and services supplied in the normal course of business, excluding value added tax and trade discounts. Turnover is recognised at the point of delivery.

Investments

Investments are stated at cost less provision for impairment.

Financial instruments

The group uses derivative financial instruments to hedge its exposure to fluctuations in foreign exchange rates. The instruments used to hedge future exposures are forward currency contracts.

Gains and losses on foreign currency hedges are recognised on maturity of the underlying transactions.

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Notes to the financial statements for the period ended 30 June 2011

1 Turnover

A segmental analysis of turnover has not been given on the grounds that the directors consider that such disclosure would be seriously prejudicial to the interests of the group

2 Other operating expenses

	18 month period ended 30 June 2011 £	Year ended 31 December 2009 £
Administrative expenses	48,855,053	32,942,102

3 Directors' emoluments

The remuneration paid to the directors of Bulkhaul Limited was

	18 month period ended 30 June 2011 £	Year ended 31 December 2009 £
Fees for management services	919,376	916,879
Contributions to money purchase pension schemes	733,193	86,785
	1,652,569	1,003,664

The number of directors who are accruing benefits under the defined contribution scheme is 4 (2009 4)

Included above are the following amounts paid to the highest paid director

	18 month period ended 30 June 2011 £	Year ended 31 December 2009 £
Highest paid director		
Aggregate emoluments	463,248	286,966
Contributions to money purchase pension schemes	50,625	33,750
	513,873	320,716

Bulkhaul Limited

4 Employee information

The average number of persons (including executive directors) employed by the group and company during the period was

By activity:

	Group		Company	
	18 month period ended 30 June 2011	Year ended 31 December 2009	18 month period ended 30 June 2011	Year ended 31 December 2009
	Number	Number	Number	Number
Office and management	279	281	146	152
Drivers and mechanics	160	164	128	133
	439	445	274	285

Staff costs for the above persons comprise:

	Group		Company	
	18 month period ended 30 June 2011	Year ended 31 December 2009	18 month period ended 30 June 2011	Year ended 31 December 2009
	Number	Number	Number	Number
Wages and salaries	18,198,676	11,858,693	10,494,775	7,064,714
Social security costs	2,496,150	1,441,913	1,416,608	770,718
Other pension costs (see note 18)	1,794,952	556,591	1,419,630	337,825
	22,489,778	13,857,197	13,331,013	8,173,257

5 Interest receivable and similar income

	18 month period ended 30 June 2011	Year ended 31 December 2009
	£	£
Bank interest receivable	16,469	14,661

Bulkhaul Limited

6 Interest payable and similar charges

	18 month period ended 30 June 2011 £	Year ended 31 December 2009 £
On bank loans and overdrafts	7,697,604	985,272
On finance leases and hire purchase contracts	2,096,280	767,486
	9,793,884	1,752,758

7 Profit on ordinary activities before taxation

	18 month period ended 30 June 2011 £	year ended 31 December 2009 £
Profit on ordinary activities before taxation is stated after (crediting)/charging		
Foreign exchange gains	(58,778)	(979,457)
Depreciation of tangible fixed assets		
- owned assets	11,542,788	8,332,946
- under finance leases	1,578,006	3,033,206
Auditors' remuneration for		
- audit (company £33,000 (2009 £33,000))	43,050	41,000
- other services	143,282	225,609
Hire of plant and machinery - operating leases	27,588	25,663
Profit on disposal of tangible fixed assets	218,099	43,231
Profit on disposal of investments	690,733	-

Bulkhaul Limited

8 Taxation on profit on ordinary activities

(a) Analysis of charge in the year

	18 month period ended 30 June 2011 £	Year ended 31 December 2009 £
Current tax		
UK corporation tax	10,700,630	6,826,044
Adjustments in respect of prior periods	(25,843)	(7,109)
Foreign tax	222,818	175,479
Associated undertakings	-	26,059
Total current tax	10,897,605	7,020,473
Deferred tax		
Origination and reversal of timing differences	(2,577,902)	2,646,303
Total deferred tax (note 17)	(2,577,902)	2,646,303
Tax on profit on ordinary activities	13,475,507	9,666,776

(b) Factors affecting tax charge for the year

The standard rate of corporation tax in the UK changed from 30% to 28% with effect from 1 April 2008. Accordingly the group's profits for this accounting period are taxed at an effective rate of 28.5% and will be taxed at 28% in the future.

Bulkhaul Limited

8 Taxation on profit on ordinary activities (continued)

The tax assessed for the year is lower (2009 lower) than the standard rate of corporation tax in the UK (27.67%) (2009 28%). The differences are explained below

	18 month period ended 30 June 2011 £	Year ended 31 December 2009 £
Profit on ordinary activities before taxation	59,571,905	35,603,315
Profit on ordinary activities before tax multiplied by standard rate of corporation tax of 27.67% (2009 28%)	16,483,546	9,968,928
Effects of		
Expenses not deductible for tax purposes	4,620,040	126,189
Accelerated capital allowances and other timing differences	(4,657,564)	(2,725,809)
Unrelieved overseas tax losses and excess foreign tax	48,466	201,358
Group relief not paid	(5,571,040)	(543,264)
Adjustments in respect of prior years	(25,843)	(7,109)
Current tax charge for the year	10,897,605	7,020,473

(c) Factors that may affect future tax charges

Future current tax charges are likely to be affected by differences between the level of capital allowances claimed and depreciation charged and total tax charges by the surrender of group relief free of charge by the parent company

No provision has been made for deferred tax on gains made by a fellow subsidiary of The Gibson O'Neill Company group which have been rolled over into capital expenditure by the Bulkhaul group. Such tax would become payable only if the gains were realised by sale of these assets. The amount unprovided in this respect is £637,855 (2009 £686,921)

9 Profit for the financial year

As permitted by s408 of the Companies Act 2006, the holding company's profit and loss account has not been included in these financial statements. The holding company's profit for the financial period was £46,820,586 (2009 £25,692,891)

Bulkhaul Limited

10 Dividends

	18 month period ended 30 June 2011 £	Year ended 31 December 2009 £
Ordinary shares		
Interim paid of £296 40 per share (2009 £1,152,80 per share)	7,410,000	28,820,000

No final dividend was proposed

11 Tangible fixed assets

Group

	Long leasehold land and freehold land and buildings £	Commercial vehicles and tanks £	Motor vehicles £	Fixtures and fittings £	Total £
Cost					
At 1 January 2010	35,183,734	227,907,112	2,024,596	6,237,140	271,352,582
Additions	1,055,134	23,365,132	27,349	400,655	24,848,270
Disposals	-	(1,648,322)	(839,955)	(265,096)	(2,753,373)
At 30 June 2011	36,238,868	249,623,922	1,211,990	6,372,699	293,447,479
Accumulated depreciation					
At 1 January 2010	3,507,290	69,442,882	1,353,561	5,274,232	79,577,965
Charge for the year	1,145,049	11,191,173	327,378	457,194	13,120,794
Disposals	-	(1,415,157)	(660,798)	(258,145)	(2,334,100)
At 30 June 2011	4,652,339	79,218,898	1,020,141	5,473,281	90,364,659
Net book amount					
At 30 June 2011	31,586,529	170,405,024	191,849	899,418	203,082,820
At 31 December 2009	31,676,444	158,464,230	671,035	962,908	191,774,617

Included in the net book amount of commercial vehicles and tanks is an amount of £66,487,947 (2009 £70,113,321) in respect of assets held under finance leases and hire purchase contracts

Bulkhaul Limited

11 Tangible fixed assets (continued)

Long leasehold land and freehold land and buildings includes long leasehold land with a net book value of £262,370 (2009 £266,248) and freehold land and buildings with a net book value of £31,324,159 (2009 £31,366,196)

Company

	Long leasehold land and freehold land and buildings	Commercial vehicles and tanks	Motor vehicles	Fixtures and fittings	Total
	£	£	£	£	£
Cost					
At 1 January 2010	16,027,345	227,907,112	1,621,937	4,410,986	249,967,380
Additions	860,670	23,365,132	18,551	220,857	24,465,210
Disposals	-	(1,648,322)	(809,448)	(35,510)	(2,493,280)
At 30 June 2011	16,888,015	249,623,922	831,040	4,596,333	271,939,310
Accumulated depreciation					
At 1 January 2010	1,714,613	69,442,882	1,041,789	3,783,691	75,982,975
Charge for the year	484,679	11,191,173	271,247	297,184	12,244,283
Disposals	-	(1,415,157)	(630,291)	(29,189)	(2,074,637)
At 30 June 2011	2,199,292	79,218,898	682,745	4,051,686	86,152,621
Net book amount					
At 30 June 2011	14,688,723	170,405,024	148,295	544,647	185,786,689
At 31 December 2009	14,312,732	158,464,230	580,148	627,295	173,984,405

Included in the net book amount of commercial vehicles and tanks is an amount of £66,487,947 (2009 £70,113,321) in respect of assets held under finance leases and hire purchase contracts

Long leasehold land and freehold land and buildings includes long leasehold land with a net book value of £262,370 (2009 £266,248) and freehold land and buildings with a net book value of £14,426,353 (2009 £14,002,484)

Bulkhaul Limited

12 Fixed asset investments

Group

	Associated undertakings £
Cost or valuation	
At 1 January 2010	241,267
Disposals	(241,267)
At 30 June 2011	-

Company

	Interest in group undertakings £	Other investments £	Total £
Cost or valuation			
At 1 January 2010	12,385,696	8,440	12,394,136
Disposals	-	(6,060)	(6,060)
At 30 June 2011	12,385,696	2,380	12,388,076
Amounts written off			
At 1 January 2010 and 30 June 2011	409,361	2,380	411,741
Net book amount			
At 30 June 2011	11,976,335	-	11,976,335
At 31 December 2009	11,976,335	6,060	11,982,395

During the period the company disposed of its investment in Teesside Insurance Consultants Limited and Teesside Financial Services Limited for total consideration of £932,000. A profit on disposal of £690,733 was recorded.

Bulkhaul Limited

12 Fixed asset investments (continued)

Interests in group undertakings

Name of undertaking	Country of incorporation or registration	Proportion of nominal value of issued shares held %	Principal activities
Held by the company:			
Bulkhaul International Limited	England and Wales	100	Holding company
Bulkhaul Belgium NV	Belgium	100	Tank container services
Bulkhaul (Italia) SRL	Italy	100	Tank container services
Bulkhaul (Singapore) PTE Limited	Singapore	100	Tank container services
Bulkhaul Korea Co Ltd	Korea	100	Tank container services
Bulkhaul Japan KK	Japan	100	Tank container services
Bulkhaul Brasil Ltd	Brazil	100	Tank container services
Teesside Leasing Limited	England and Wales	100	Dormant
Teesside Transport Services Limited	England and Wales	51	Dormant
Fernando Holdings Limited	Jersey	100	Holding company
Chakalak Limited	Jersey	100	Property company
Held by subsidiaries:			
Bulkhaul (Germany) GmbH	Germany	100	Tank container services
Bulkhaul (USA) Incorporated	USA	100	Tank container services

13 Stocks

	Group		Company	
	30 June 2011	31 December 2009	30 June 2011	31 December 2009
	£	£	£	£
Raw materials and consumables	495,872	1,817,102	426,682	1,761,760

Bulkhaul Limited

14 Debtors

	Group		Company	
	30 June 2011	31 December 2009	30 June 2011	31 December 2009
	£	£	£	£
Trade debtors	32,720,502	24,286,892	32,720,502	24,286,892
Amounts owed by parent, fellow subsidiaries and subsidiary undertakings	72,925,931	54,482,815	74,912,138	56,805,296
Other debtors	1,089,850	3,977,266	886,646	3,769,647
Prepayments and accrued income	949,940	834,030	829,392	737,296
	107,686,223	83,581,003	109,348,678	85,599,131

At 30 June 2011, a loan to S Gibson, a director of the company, amounting to £nil (2009 £152,443) was outstanding. The loan was interest free, and the maximum amount outstanding during the year was £477,443 (2009 £152,443). The loan was in contravention of the Companies Act 2006.

At 30 June 2011, a loan to M O'Neill, a director of the company, amounting to £Nil (2009 £324,731) was outstanding. The loan was interest free, and the maximum amount outstanding during the year was £324,731 the balance at 30 June 2011 (2009 £324,731). The loan was in contravention of the Companies Act 2006.

Amounts owed by parent, fellow subsidiaries and subsidiary undertakings are unsecured, interest free and are repayable on demand.

Bulkhaul Limited

14 Creditors: amounts falling due within one year

	Group		Company	
	30 June 2011	31 December 2009	30 June 2011	31 December 2009
	£	£	£	£
Bank loans and overdrafts (note 16)	11,977,422	14,633,548	9,806,308	13,519,165
Hire purchase and finance lease obligations (note 16)	15,709,899	20,498,582	15,709,899	20,498,582
Trade creditors	9,446,118	6,499,736	9,369,719	6,439,698
Amounts owed to fellow subsidiaries and subsidiary undertakings	-	-	4,085,197	1,455,086
Corporation tax	7,781,257	5,557,546	7,781,257	5,557,546
Overseas taxation payable	16,910	76,150	-	-
Other taxation and social security	315,219	2,026,361	331,410	1,982,482
Other creditors	3,520,732	2,358,689	2,749,394	1,810,561
Accruals and deferred income	19,072,250	15,727,459	18,678,576	15,334,335
	67,839,807	67,378,071	68,511,760	66,597,455

Amounts owed to subsidiary undertakings are unsecured, interest free and have no fixed date of repayment

15 Creditors: amounts falling due after more than one year

	Group		Company	
	30 June 2011	31 December 2009	30 June 2011	31 December 2009
	£	£	£	£
Bank loans	54,806,209	63,831,935	50,003,256	60,770,166
Hire purchase and finance lease obligations	14,831,724	18,149,006	14,831,724	18,149,006
	69,637,933	81,980,941	64,834,980	78,919,172

Bulkhaul Limited

16 Creditors: amounts falling due after more than one year (continued)

Bank loans and overdrafts

Bank loans and overdrafts are repayable as follows

	Group		Company	
	30 June 2011	31 December 2009	30 June 2011	31 December 2009
	£	£	£	£
One year or less or on demand	12,168,396	14,824,522	9,997,282	13,710,139
Between one and two years	18,852,209	21,317,771	16,849,068	20,186,030
Between two and five years	36,399,606	43,246,231	33,599,794	41,316,203
Total borrowings	67,420,211	79,388,524	60,446,144	75,212,372
Unamortised issue costs	(636,580)	(923,041)	(636,580)	(923,041)
Total borrowings net of issue costs	66,783,631	78,465,483	59,809,564	74,289,331

The bank loans and overdraft are secured by fixed and floating charges over some of the group's land and buildings and tank containers

The loans carry fixed interest rates of between 4.75% and 10% and variable rates of between 0.75% and 10% above the base rate

Hire purchase and finance lease obligations

The minimum net hire purchase and finance lease obligations to which the group and the company are committed are as follows

	Group		Company	
	30 June 2011	31 December 2009	30 June 2011	31 December 2009
	£	£	£	£
In one year or less	15,709,899	20,498,582	15,709,899	20,498,582
Between one and five years	14,831,724	18,149,006	14,831,724	18,149,006
	30,541,623	38,647,588	30,541,623	38,647,588

Bulkhaul Limited

16 Provisions for liabilities: deferred taxation

	Group		Company	
	30 June 2011	31 December 2009	30 June 2011	31 December 2009
	£	£	£	£
At 1 January 2010	25,023,438	22,377,654	25,015,588	22,369,285
Amount debited to profit and loss account (note 8)	2,577,902	2,646,303	2,579,173	2,646,303
Exchange differences	1,034	(519)	-	-
At 30 June 2011	27,602,374	25,023,438	27,594,761	25,015,588

The provision for deferred taxation comprises

	Group		Company	
	30 June 2011	31 December 2009	30 June 2011	31 December 2009
	£	£	£	£
Excess of capital allowances over depreciation	27,608,494	25,039,042	27,600,881	25,031,992
Short term timing differences	(6,120)	(16,404)	(6,120)	(16,404)
	27,602,374	25,023,438	27,594,761	25,015,588

The liabilities not recognised for deferred taxation are

	Group		Company	
	30 June 2011	31 December 2009	30 June 2011	31 December 2009
	£	£	£	£
Capital gains	637,855	686,921	637,855	686,921

No provision (2009 £nil) has been made for deferred tax on gains made by a fellow subsidiary of The Gibson O'Neill Company group which have been rolled over into capital expenditure by the Bulkhaul group. Such tax would become payable only if the gains were realised by sale of these assets.

Bulkhaul Limited

17 Provisions for liabilities: deferred taxation (continued)

In addition to the changes in rates of Corporation tax disclosed within the note on taxation a number of further changes to the UK Corporation tax system were announced in the March 2011 UK Budget Statement. Legislation to reduce the main rate of corporation tax from 26% to 25% from 1 April 2012 was substantively enacted on 5 July 2011. Further reductions to the main rate are proposed to reduce the rate by 1% per annum to 23% by 1 April 2014. These further changes had not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements.

The effect of the changes enacted on 5 July 2011 is to reduce the deferred tax liability provided at the balance sheet date by £1,061,630. This £1,061,630 decrease in the deferred tax liability would increase profit by £1,061,630. This decrease in the deferred tax liability is due to the reduction in the corporation tax rate from 26% to 25% with effect from 1 April 2012.

The proposed reductions of the main rate of corporation tax by 1% per year to 23% by 1 April 2014 are expected to be enacted separately each year. The overall effect of the further changes from 25% to 23%, if these applied to the deferred tax balance at the balance sheet date, would be to reduce the deferred tax liability by £2,123,259 (being £1,061,630 recognised in 2013 and £1,061,629 recognised in 2014).

17 Pension commitments

The group operates one self-administered money purchase pension scheme and five fully insured money purchase pension schemes. These are defined contribution pension schemes. The group has no liability other than to pay the employer's contributions to these schemes. The total pension cost for the group was £1,794,952 (2009 £556,591). At 30 June 2011 amounts owing in respect of pension contributions was £23,534 (2009 £59,217).

18 Called up share capital

	30 June 2011	31 December 2009
Group and company	£	£
Authorised		
25,000 ordinary shares of £1 each	25,000	25,000
Allotted and fully paid		
25,000 ordinary shares of £1 each	25,000	25,000

Bulkhaul Limited

19 Reserves

Group

	Capital reserve	Profit and loss account
	£	£
At 1 January 2010	440	117,746,652
Profit for the financial period	-	38,686,398
At 30 June 2011	440	156,433,050

Company

	Profit and loss account
	£
At 1 January 2010	117,168,498
Profit for the financial period	39,410,586
At 30 June 2011	156,579,084

20 Reconciliation of movements in group shareholders' funds

	18 month period ended 30 June 2011	Year ended 31 December 2009
	£	£
Profit for the financial period	46,096,398	25,936,539
Dividends	(7,410,000)	(28,820,000)
Retained profit for the financial period	38,686,398	(2,883,461)
Opening shareholders' funds	117,772,092	120,655,553
Closing shareholders' funds	156,458,490	117,772,092

Bulkhaul Limited

21 Reconciliation of operating profit to net cash inflow from operating activities

	18 month period ended 30 June 2011 £	Year ended 31 December 2009 £
Operating profit	69,349,320	37,235,914
Depreciation on tangible fixed assets	13,120,794	11,366,152
Profit on sale of tangible fixed assets	(218,099)	43,231
Profit on sale of investments	(690,733)	-
Decrease in stocks	1,321,230	5,986,600
Increase in debtors	(24,105,220)	2,012,966
Decrease in creditors	(1,035,332)	(11,141,545)
Net cash inflow/(outflow) from continuing operations	57,741,960	(45,503,318)

22 Reconciliation of net cash flow to movement in net debt

	18 month period ended 30 June 2011 £	Year ended 31 December 2009 £
(Decrease)/increase in cash	(4,466,864)	9,691,408
Cash flow from movement in debt and lease financing	20,074,278	(61,773,426)
Movement in net debt	15,607,414	(52,082,018)
Net debt at 1 January	(103,295,559)	(51,213,541)
Net debt at 31 December	(87,688,145)	(103,295,559)

Bulkhaul Limited

23 Analysis of changes in net debt

	At 1 January 2010 £	Cash flow £	At 30 June 2011 £
Net cash			
Cash at bank and in hand	14,740,553	(4,466,864)	10,273,689
Bank overdrafts	-	-	-
	14,740,553	(4,466,864)	10,273,689
Debt		-	-
Finance leases	(38,647,588)	8,105,965	(30,541,623)
Loans	(79,388,524)	11,968,313	(67,420,211)
	(118,036,112)	20,074,278	(97,961,834)
Net debt	(103,295,559)	15,607,414	(87,688,145)
Analysed in balance sheet			
Cash at bank and in hand	14,740,553		10,273,689
Bank loans/overdrafts payable within one year	(14,824,522)		(12,168,396)
Bank loans/overdrafts payable after one year	(64,564,002)		(55,251,815)
Finance leases payable within one year	(20,498,582)		(15,709,899)
Finance leases payable after one year	(18,149,006)		(14,831,724)
	(103,295,559)		(87,688,145)

24 Capital and other commitments

	Group		Company	
	30 June 2011 £	31 December 2009 £	30 June 2011 £	31 December 2009 £
Capital expenditure that has been contracted for but has not been provided for in the financial statements	11,764,096	14,670,643	11,764,096	14,416,473

Bulkhaul Limited

25 Financial commitments

At 30 June 2011 the group and company had no annual commitments under non-cancellable operating leases (2009 £Nil)

26 Financial instruments

Fair value	30 June 2011 £	31 December 2009 £
Forward currency transactions	(29,381,278)	(40,516,728)
Interest rate hedges	(3,331,216)	(1,742,969)

Forward currency transactions are derivative financial instruments held to hedge the currency exposure on future foreign currency transactions

At the year end the mark to market value of the forward currency transactions was in favour of the bank due to a closing USD exchange rate of 1 6084 USD/£

Ultimate parent undertaking and controlling party

The directors regard The Gibson O'Neill Company Limited, as the ultimate parent undertaking, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of The Gibson O'Neill Company Limited's consolidated financial statements may be obtained from the company secretary, The Gibson O'Neill Company Limited, Brignell Road, Riverside Park Industrial Estate, Middlesbrough, TS2 1PS

The directors regard Mr S Gibson, the chairman of the company as the ultimate controlling party by virtue of his 75% interest in the equity capital of The Gibson O'Neill Company Limited

27 Related party transactions

The company has taken advantage of the exemptions available under Financial Reporting Standard Number 8 "Related Party Disclosures" from the requirement to disclose transactions with its parent and fellow subsidiary undertakings

Other than as described in Note 14, there are no further related party transactions which fall to be disclosed under Financial Reporting Standard Number 8

Bulkhaul Limited

28 Post balance sheet events

A review of the group finances has resulted in the decision being reached, in conjunction with the lenders to the Company and other group companies, to consolidate the group debts within the Company. This has been achieved through an agreement with a consortium of lenders to re-structure the current borrowings by providing a consolidated lend to the Company consisting of a variety of different elements including a long term (10 year) corporate loan, a 5 year term loan combined with a new Revolving Credit Facility and a residual amount of asset finance. These loans have an attractive amortisation profile together with market marginal rates. This is currently due to be drawdown in the first week of February 2012 and will provide the Company with first class facilities for the future.

29 Contingent liabilities

At 30 June 2011, Bulkhaul Limited has guaranteed bank and other borrowings of other group undertakings amounting to £34,775,584 (2009 £91,039,000)