J C DAVIES HAULAGE LIMITED

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31ST JULY 1997

COMPANY NUMBER: 02136921

A37 *A8H545FS* 351
COMPANIES HOUSE 17/04/98
H9ZNL9H5 256
COMPANIES HOUSE 14/03/98

J C DAVIES HAULAGE LIMITED

YEAR ENDED 31ST JULY 1997

DIRECTORS

J C Davies
R A Davies

COMPANY SECRETARY

R A Davies

REGISTERED OFFICE

6 Claremont Buildings
Claremont Bank
Shrewsbury
Shropshire
SY1 1RJ

ACCOUNTANTS

DRE & Co.
6 Claremont Buildings
Claremont Bank
Shrewsbury
Shropshire
SY1 1RJ

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1.	Report of the Directors
2.	Report of the Accountants
3.	Profit and Loss Account
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The following does not form part of the statutory accounts :

11.	Trading and Profit and Loss Account

REPORT OF THE DIRECTORS TO THE MEMBERS OF J C DAVIES HAULAGE LIMITED

The directors present their report, together with the financial statements of the company for the year ended 31st July 1997

Principal Activity

The company's principal activity is that of hauliers in the United Kingdom.

Directors

The directors who served during the year and their beneficial interests in Ordinary Share Capital of the company at the end of the year were as follows:

	£1 ordinary shares	
	31/7/97	31/7/96
J C Davies	1	1
R A Davies	1	1

Directors' Responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable;
- prepare the financial statements on the going concern basis unless it is not appropriate to presume that the company will continue in business.

The directors are responsible for keeping 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.

Small Companies Exemption

In preparing this report the directors have taken advantage of the special provisions of Part VII of the Companies Act 1985 relating to small companies (s246(8(b)). As, in their opinion, the company qualifies as a small company.

On behalf of the board

.....
J C Davies Esq - Director

.....8/3/98.....
Date

ACCOUNTANTS' REPORT TO THE SHAREHOLDERS ON THE

UNAUDITED ACCOUNTS OF JC DAVIES HAULAGE LIMITED

RESPECTIVE RESPONSIBILITES OF DIRECTORS AND REPORTING ACCOUNTANTS

As described on page 1, the company's directors are responsible for the preparation of the financial statements, and they consider that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

BASIS OF OPINION

Our work was conducted in accordance with the Statements of Standards for Reporting Accountants and so our procedures consisted of comparing the financial statements with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

OPINION
In our opinion:

a) the financial statements are in agreement with the accounting records kept by the company under section 221 of the Companies Act 1985;
b) having regard to, and on the basis of, the information contained in those accounting records:
   (i) the financial statements have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act; and
   (ii) the company satisfied the conditions for exemption from an audit of the financial statements for the year specified in section 249A(4) of the Act and did not, at any time within that year, fall within any of the categories of the companies not entitled to the exemption specified in section 249B(1).

DREA

D.R.E. & Co

Chartered Accountants

6 Claremont Buildings
Claremont Bank
Shrewsbury
SY1 1RJ

Date: 12th March 1998

J C DAVIES HAULAGE LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31ST JULY 1997

	NOTES	1997 £	1996 £
TURNOVER	1d	183,697	205,589
Cost of sales		(122,849)	(118,621)
GROSS PROFIT		60,848	86,968
Net operating expenses		(46,254)	(45,925)
Other operating income		2,397	2,397
OPERATING PROFIT	3	16,991	43,440
Interest payable and similar charges		(2,953)	(12,178)
Interest receivable and similar income		2,390	3,983
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		16,428	35,245
Tax on profit on ordinary activities	5	(4,520)	(8,795)
RETAINED PROFIT FOR THE FINANCIAL YEAR		11,908	26,450

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profit for the year.

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the year.

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

J C DAVIES HAULAGE LIMITED

BALANCE SHEET

AS AT 31ST JULY 1997

	NOTES	1997 £	1996 £
FIXED ASSETS			
Tangible Fixed assets	6	84,810	93,726
CURRENT ASSETS			
Stock	7	3,140	5,791
Debtors	8	48,184	71,371
Cash at bank and in hand		93,060	107,940
		144,384	185,102
CREDITORS - amounts falling due within one year	9	86,838	148,380
NET CURRENT ASSETS		57,546	36,722
TOTAL ASSETS LESS CURRENT LIABILITIES		£142,356	£130,448
CAPITAL AND RESERVES			
Called up share capital	11	2	2
Reserves	12	142,354	130,446
Shareholders Funds		£142,356	£130,448

1(a) In the directors' opinion the company was entitled under section 249A(2) of the Companies Act 1985 to exemption from the audit of its accounts for the year ended 31st July 1997.

(b) No notice has been deposited under S249(B)2 in relation to its accounts for the financial year.

(c) The directors are responsible for:
(i) ensuring that company keeps accounting records which comply with section 221 of the Companies Act 1985; and

BALANCE SHEET

AS AT 31ST JULY 1997

(ii) preparing accounts which give a true and fair view of the state of the company's affairs as at the end of each financial year and of its profit or loss each year in accordance with the requirements of S226 and which otherwise comply with the requirements of the Companies Act 1985 relating to accounts, so far as applicable to the company (S249 B(4)).

2 The directors have taken advantage of special provisions of Part VII of the Companies Act 1985 relating to small companies (s246(8), s248A(5)). As, in their opinion, the company qualifies as a small company.

....8/3/98.....

J C Davies - Director Date

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST JULY 1997

1 ACCOUNTING POLICIES

a. Accounting Convention

The financial statements have been prepared under the historical cost convention.

b. Depreciation

Depreciation is calculated on tangible fixed assets in use at the end of the financial year so as to write off the cost over their useful economic lives using the following methods and rates.

Land and Buildings	2% straight line
Plant and Equipment	10% reducing balance
Fixtures and Fittings	10% reducing balance
Motor vehicles	20% reducing balance

c. Stock and Work In Progress

Stock and work in progress is valued at the lower of the cost and net realisable value by the directors.

d. Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, excluding value added tax.

e. Deferred Taxation

Deferred taxation is provided using the liability method in respect of the taxation effect of all timing differences other than those which are expected with reasonable probability to continue in the foreseeable future.

f. Pension Costs

Contributions to the company's defined contributions pension scheme are charged to the profit and loss account in the period in which they are incurred.

g. Operating Leases

Amounts payable on operating leases are charged to the profit and loss account in the period in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST JULY 1997

h. Fixed Assets held under Finance Leases

Where assets are financed by leasing arrangements that give rights approximating to ownership (finance leases) the assets are treated as if they had been purchased outright and the corresponding liability to the leasing company is included as an obligation under finance leases.

Depreciation on leased assets is charged to the profit and loss account on the same basis as other fixed assets. Leasing payments are treated as consisting of capital and interest elements and the interest is charged to the profit and loss account using the actuarial method. Payments under operating leases are charged to the profit and loss account on a straight line basis over the life of the lease.

i. Cash Flow Statements

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

2. NET OPERATING EXPENSES

	1997	1996
	£	£
Administration Expenses	49,207	58,103

3. OPERATING PROFIT

This is stated after charging / (crediting):

Depreciation on owned tangible fixed assets	5,338	4,027
Depreciation on assets held under finance leases	4,620	5,775
Finance lease interest	2,953	12,178
Operating lease payments	601	680

4. DIRECTORS

Directors emoluments

Management remuneration	44,667	40,268
Benefits in kind	5,445	5,440
Pension scheme contributions	19,285	19,318
	69,397	65,026

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST JULY 1997

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1997	1996
	£	£
U K corporation tax based on profit for the year at 23% (1996 - 24.66%)	4,479	8,795
Interest charge charged on late payment	41	-
	4,520	8,795

6. TANGIBLE FIXED ASSETS

	Freehold Land & Buildings	Plant & Equipment	Fixtures & Fittings	Motor Vehicles	Total
	£	£	£	£	£
Cost					
At 31.7.96	60,752	18,885	730	115,032	195,399
Additions			1,042		1,042
At 31.7.97	60,752	18,885	1,772	115,032	196,441
Depreciation					
At 31.7.96	7,900	7,486	386	85,901	101,673
Charge for the year	1,215	1,139	138	7,466	9,958
At 31.7.97	9,115	8,625	524	93,367	111,631
Net book value					
At 31.7.97	51,637	10,260	1,248	21,665	84,810
At 31.7.96	52,852	11,399	344	29,131	93,726

Included in the net book value of motor vehicles of £21,665 is £18,482 (1996 - £23,102) which relates to assets held under a finance lease agreements. The depreciation charge for the year on assets held under finance lease agreements was £4,620 (1996 - £5,775).

7. STOCK

	1997	1996
	£	£
Raw materials and consumables	3,140	5,791

J C DAVIES HAULAGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST JULY 1997

8. DEBTORS

	1997	1996
	£	£
Trade debtors	45,035	58,035
Prepayments and accrued income	3,149	13,336
	48,184	71,371

9. CREDITORS - amounts falling due within one year

Bank loans and overdraft	-	14,095
Trade creditors	11,250	13,531
Corporation tax	4,479	8,795
Other taxation and social security	6,886	6,901
Directors loan account	53,155	89,308
Accruals and deferred income	2,387	2,000
Commitments under finance lease	8,681	13,750
	86,838	148,380

10. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred taxation

	1997		1996	
	Unprovided	Provided	Unprovided	Provided
	£	£	£	£
Accelerated Capital Allowances	1,687	-	2,670	-

11. CALLED UP SHARE CAPITAL

	1997	1996
	£	£
Authorised ordinary shares of £1 each	10,000	10,000
Allotted, called up and fully paid ordinary shares of £1 each	2	2

J C DAVIES HAULAGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST JULY 1997

12. SHARE CAPITAL, RESERVES AND RECONCILIATION OF OPENING AND CLOSING TOTALS OF SHAREHOLDERS FUNDS

	Share Capital	Profit & Loss Account	Total Shareholders Funds 1997
Balance at 31.7.96	2	130,446	130,448
Profit for the financial year		11,908	11,908
Balance at 31.7.97	2	142,354	142,356

13. At 31st July 1997 the company had annual commitments under operating leases as set out below:

	Other £
Operating leases which expire:	
In the second to fifth years inclusive	679

15. RELATED PARTY TRANSACTIONS

During the year the company made rental payments in respect of the companies premises in the sum of £6,250 to the director J C Davies.