Report of the Directors and

Financial Statements for the Year Ended 31st July 1998

for

J C Davies Haulage Limited



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J C Davies Haulage Limited

Company Information
for the Year Ended 31st July 1998

DIRECTORS:	J C Davies R A Davies
SECRETARY:	R A Davies
REGISTERED OFFICE:	6 Claremont buildings Claremont Bank Shrewsbury Shropshire SY1 1RJ
REGISTERED NUMBER:	02136921 (England and Wales)
ACCOUNTANTS:	D.R.E. & Co. Chartered Accountants 6 Claremont Buildings Claremont Bank Shrewsbury Shropshire SY1 1RJ

J C Davies Haulage Limited

Report of the Directors
for the Year Ended 31st July 1998

The directors present their report with the financial statements of the company for the year ended 31st July 1998.

PRINCIPAL ACTIVITY
The principal activity of the company in the year under review was that of hauliers.

DIRECTORS
The directors during the year under review were:

J C Davies
R A Davies

The beneficial interests of the directors holding office on 31st July 1998 in the issued share capital of the company were as follows:

	31.7.98	1.8.97
Ordinary £1 shares		
J C Davies	1	1
R A Davies	1	1

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

ON BEHALF OF THE BOARD:

J C Davies - DIRECTOR

Dated: 21/2/99

J C Davies Haulage Limited

Profit and Loss Account
for the Year Ended 31st July 1998

	Notes	31.7.98 £	31.7.97 £
TURNOVER	2	170,142	183,697
Cost of sales		129,236	122,849
GROSS PROFIT		40,906	60,848
Administrative expenses		45,481	46,254
OPERATING (LOSS)/PROFIT	3	(4,575)	14,594
Interest receivable and similar income	4	4,272	4,787
		(303)	19,381
Interest payable and similar charges	5	(4,340)	2,953
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		4,037	16,428
Tax on profit on ordinary activities	6	1,042	4,520
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		2,995	11,908
Retained profit brought forward		142,354	130,446
RETAINED PROFIT CARRIED FORWARD		£145,349	£142,354

CONTINUING OPERATIONS
None of the company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES
The company has no recognised gains or losses other than the profits for the current and previous years.

The notes form part of these financial statements

J C Davies Haulage Limited

Balance Sheet
31st July 1998

	Notes	31.7.98 £	31.7.98 £	31.7.97 £	31.7.97 £
FIXED ASSETS:					
Tangible assets	7		78,114		84,810
CURRENT ASSETS:					
Stocks	8	240		3,140	
Debtors	9	25,770		48,184	
Cash at bank		61,589		93,060	
		87,599		144,384	
CREDITORS: Amounts falling due within one year	10	20,362		86,838	
NET CURRENT ASSETS:			67,237		57,546
TOTAL ASSETS LESS CURRENT LIABILITIES:			£145,351		£142,356
CAPITAL AND RESERVES:					
Called up share capital	14		2		2
Profit and loss account			145,349		142,354
Shareholders' funds	16		£145,351		£142,356

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ending 31st July 1998.

No notice has been deposited under Section 249B(2) of the Companies Act 1985 in relation to its financial statements for the financial year.

The directors acknowledge their responsibilities for:

(a) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and

(b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD:

J C Davies - DIRECTOR

Approved by the Board on 21/2/99

The notes form part of these financial statements

1. ACCOUNTING POLICIES

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

Financial Reporting Standard Number 1
Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

Turnover
Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	- 2% on cost
Plant and machinery	- 10% on reducing balance
Fixtures and fittings	- 10% on reducing balance
Motor vehicles	- 20% on reducing balance

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

Deferred taxation
Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Hire purchase and leasing commitments
Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account as incurred.

Pensions
The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

2. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

3. OPERATING (LOSS)/PROFIT

The operating loss (1997 - operating profit) is stated after charging:

	31.7.98	31.7.97
	£	£
Hire of plant and machinery	35	28
Other operating leases	1,106	601
Depreciation - owned assets	3,000	5,338
Depreciation - assets on finance leases	3,696	4,620
Pension costs	18,085	19,285
Operating leases - Land & buildings	6,250	6,250
Directors' emoluments	49,749	44,666

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	31.7.98	31.7.97
	£	£
Deposit account interest	1,875	2,390
Rent received	2,397	2,397
	4,272	4,787

5. INTEREST PAYABLE AND SIMILAR CHARGES

	31.7.98	31.7.97
	£	£
Leasing	(4,340)	2,953

6. TAXATION

The tax charge on the profit on ordinary activities for the year was as follows:

	31.7.98	31.7.97
	£	£
UK Corporation Tax	1,042	4,479
Interest on late payment	-	41
	1,042	4,520

UK Corporation Tax has been charged at 21% (1997 - 23%).

7. TANGIBLE FIXED ASSETS

	Freehold property	Plant and machinery	Fixtures and fittings	Motor vehicles	Totals
	£	£	£	£	£
COST:					
At 1st August 1997 and 31st July 1998	60,752	18,885	1,772	115,032	196,441
DEPRECIATION:					
At 1st August 1997	9,115	8,625	524	93,367	111,631
Charge for year	1,215	1,025	124	4,332	6,696
At 31st July 1998	10,330	9,650	648	97,699	118,327
NET BOOK VALUE:					
At 31st July 1998	50,422	9,235	1,124	17,333	78,114
At 31st July 1997	51,637	10,260	1,248	21,665	84,810

Fixed assets, included in the above, which are held under finance leases are as follows:

	Motor vehicles
	£
COST:	
At 1st August 1997 and 31st July 1998	70,500
DEPRECIATION:	
At 1st August 1997	52,018
Charge for year	3,696
At 31st July 1998	55,714
NET BOOK VALUE:	
At 31st July 1998	14,786
At 31st July 1997	18,482

8. STOCKS

	31.7.98	31.7.97
	£	£
Stock	240	3,140

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.7.98 £	31.7.97 £
Trade debtors	20,084	45,035
Prepayments & accrued income	5,686	3,149
	25,770	48,184

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.7.98 £	31.7.97 £
Bank loans and overdrafts (see note 11)	4,389	-
Finance leases (see note 12)	4,341	8,681
Trade creditors	1,385	11,250
Directors loan accounts	3	53,155
Other creditors & accruals	2,527	2,387
Social security & other taxes	6,675	6,886
Taxation	1,042	4,479
	20,362	86,838

11. LOANS AND OVERDRAFTS

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

	31.7.98 £	31.7.97 £
Amounts falling due within one year or on demand:		
Bank overdrafts	4,389	-

12. OBLIGATIONS UNDER LEASING AGREEMENTS

	Finance leases	
	31.7.98 £	31.7.97 £
Gross obligations repayable:		
Within one year	4,341	8,681
Net obligations repayable:		
Within one year	4,341	8,681

12. OBLIGATIONS UNDER LEASING AGREEMENTS - continued

The following payments are committed to be paid within one year:

	Operating leases			
	Land and buildings		Other	
	31.7.98	31.7.97	31.7.98	31.7.97
	£	£	£	£
Expiring:				
Between one and five years	6,250	6,250	1,369	1,106

13. PROVISIONS FOR LIABILITIES AND CHARGES

The amount for which no provision has been made in respect of deferred taxation, is as follows:

	31.7.98	31.7.97
	£	£
Accelerated capital allownaces	973	1,687

14. CALLED UP SHARE CAPITAL

Authorised:

Number:	Class:	Nominal value:	31.7.98	31.7.97
			£	£
10,000	Ordinary	£1	10,000	10,000

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.7.98	31.7.97
			£	£
2	Ordinary	£1	2	2

15. TRANSACTIONS WITH DIRECTORS

During the year the made rental payments in respect of the Company's premises in the sum of £6,500 to the director J C Davies.

Included within administration costs in the profit and loss account are expenses paid to the director J C Davies for the use of home as office and postage and stationery. The amounts involved are £465 and £312 respectively.

16. **RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	31.7.98	31.7.97
	£	£
Profit for the financial year	2,995	11,908
NET ADDITION TO SHAREHOLDERS' FUNDS	2,995	11,908
Opening shareholders' funds	142,356	130,448
CLOSING SHAREHOLDERS' FUNDS	145,351	142,356
Equity interests	145,351	142,356

Report of the Accountants to the Directors of J C Davies Haulage Limited

As described on the balance sheet you are responsible for the preparation of the financial statements for the year ended 31st July 1998 set out on pages three to ten and you consider that the company is exempt from an audit in accordance with section 249A of the Companies Act 1985. In accordance with your instructions, we have compiled these unaudited financial statements in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to us.

D.R.E. & Co.

D.R.E. & Co.
Chartered Accountants
6 Claremont Buildings
Claremont Bank
Shrewsbury
Shropshire SY1 1RJ

Dated: 21st February 1999