LAMBERT BROTHERS HOLDINGS LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 MAY 2002

Company Registration Number 02195321 (England and Wales)



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COMPANIES HOUSE 08/11/02

LAMBERT BROTHERS HOLDINGS LIMITED

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LAMBERT BROTHERS HOLDINGS LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MAY 2002

The directors present their report and financial statements for the year ended 31 May 2002.

Principal activities and review of the business
The principal activity of the company continued to be that of warehousing and general haulage.

Results and dividends
The results for the year are set out on page 4.

Future developments
The results for the year and the financial position at the year end were considered satisfactory by the directors who expect continued growth in the foreseeable future.

Directors
The following directors have held office since 1 June 2001:

R M Lambert
H J Baker
J M Flanders
R C Trotter
C G Watkins

Directors' interests
The directors' interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	31 May 2002	1 June 2001
R M Lambert	801,688	801,668
H J Baker	-	-
J M Flanders	-	-
R C Trotter	-	-
C G Watkins	-	-

	9% convertible cumulative preferred ordinary shares of £ 1 each	
	31 May 2002	1 June 2001
R M Lambert	-	-
H J Baker	-	-
J M Flanders	-	-
R C Trotter	-	-
C G Watkins	-	-

There are three settlements which own a total of 150,000 £1 Ordinary shares in the company. One of the trustees of these settlements is a "director" of Tenon Limited.

Auditors
In accordance with section 385 of the Companies Act 1985, a resolution proposing that Blueprint Audit Limited be reappointed as auditors of the company will be put to the Annual General Meeting.

LAMBERT BROTHERS HOLDINGS LIMITED

ABBREVIATED BALANCE SHEET
AS AT 31 MAY 2002

	Notes	2002 £	2002 £	2001 £	2001 £
Fixed assets					
Tangible assets	6		4,084,017		4,111,986
Investments	7		350,006		350,106
			4,434,023		4,462,092
Current assets					
Debtors	8	53,799		501,204	
Cash at bank and in hand		1,939,846		1,093,193	
		1,993,645		1,594,397	
Creditors: amounts falling due within one year	9	(1,856,741)		(1,766,719)	
Net current assets/(liabilities)			136,904		(172,322)
Total assets less current liabilities			4,570,927		4,289,770
Provisions for liabilities and charges	10		(52,352)		(20,508)
			4,518,575		4,269,262
Capital and reserves					
Called up share capital	11		1,300,001		1,300,001
Profit and loss account	12		3,218,574		2,969,261
Shareholders' funds - equity interests	13		4,518,575		4,269,262

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

The financial statements were approved by the Board on 31 October 2002

R M Lambert
Director

J M Flanders
Director

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2002

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 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 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. 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.

On behalf of the board

.....

J M Flanders
Director
31 October 2002

LAMBERT BROTHERS HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 4 to 16, together with the financial statements of the company for the year ended 31 May 2002 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of the directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages 4 to 16 are properly prepared in accordance with that provision.

Blueprint Audit Ltd

Blueprint Audit Limited
Registered Auditor

Date: 31 October 2002

Highfield Court
Tollgate
Chandlers Ford
Eastleigh

LAMBERT BROTHERS HOLDINGS LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MAY 2002

	Notes	2002 £	2001 £
Gross profit		737,567	637,555
Administrative expenses		(58,370)	(147,218)
Operating profit	2	679,197	490,337
Other interest receivable and similar income		33,568	10,903
Amounts written off investments		(100)	-
Interest payable and similar charges	3	(244)	(11,063)
Profit on ordinary activities before taxation		712,421	490,177
Tax on profit on ordinary activities	4	(255,108)	(223,855)
Profit on ordinary activities after taxation		457,313	266,322
Dividends	5	(208,000)	(234,292)
Retained profit for the year	12	249,313	32,030

LAMBERT BROTHERS HOLDINGS LIMITED

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MAY 2002

	2002		2001	
	£	£	£	£
Net cash inflow from operating activities		1,322,499		711,677
Returns on investments and servicing of finance				
Interest received	33,568		10,903	
Interest paid	(356)		(11,237)	
Net cash inflow/(outflow) for returns on investments and servicing of finance		33,212		(334)
Taxation		(220,274)		(165,481)
Capital expenditure				
Payments to acquire tangible assets	(45,769)		(28,424)	
Receipts from sales of tangible assets	-		15,000	
Net cash outflow for capital expenditure		(45,769)		(13,424)
Equity dividends paid		(234,292)		(192,528)
Net cash inflow before management of liquid resources and financing		855,376		339,910
Financing				
Repayment of other short term loans	-		(230,000)	
Capital element of hire purchase contracts	(8,723)		(11,519)	
Net cash outflow from financing		(8,723)		(241,519)
Increase in cash in the year		846,653		98,391

LAMBERT BROTHERS HOLDINGS LIMITED

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MAY 2002

1	Reconciliation of operating profit to net cash inflow from operating activities	2002	2001
		£	£
	Operating profit	679,197	490,337
	Depreciation of tangible assets	73,738	70,192
	Decrease in debtors	447,405	57,542
	Increase in creditors within one year	122,159	93,606
	Net cash inflow from operating activities	1,322,499	711,677

2	Analysis of net funds	1 June 2001	Cash flow	Other non-cash changes	31 May 2002
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	1,093,193	846,653	-	1,939,846
	Debt:				
	Finance leases	(8,723)	8,723	-	-
	Debts falling due within one year	(900,000)	-	-	(900,000)
	Net funds	184,470	855,376	-	1,039,846

3	Reconciliation of net cash flow to movement in net funds	2002	2001
		£	£
	Increase in cash in the year	846,653	98,391
	Cash outflow from decrease in debt and lease financing	8,723	241,519
	Movement in net funds in the year	855,376	339,910
	Opening net funds/(debt)	184,470	(155,440)
	Closing net funds	1,039,846	184,470

LAMBERT BROTHERS HOLDINGS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 MAY 2002

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards.

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold land and buildings	Over 100 years
Fixtures, fittings, tools and equipment	10% Straight line
Plant, machinery and motor vehicles	15% Straight line

1.5 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.6 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.7 Deferred taxation

The accounting policy in respect of deferred tax has been changed to reflect the requirements of FRS19 - Deferred tax. Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

The above amounts to a change in accounting policy. The previous policy was to provide deferred tax only to the extent that it was probable that liabilities would crystallise in the foreseeable future.

The adoption of the standard has not required a prior period adjustment.

1.8 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a medium-sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts.

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2002

2	**Operating profit**	**2002**	**2001**
		£	**£**
	Operating profit is stated after charging:		
	Depreciation of tangible assets	73,738	70,192
	Auditors' remuneration	1,275	665

3	**Interest payable**	**2002**	**2001**
		£	**£**
	On other loans wholly repayable within 5 years	-	10,108
	Hire purchase interest	244	955
		244	11,063

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2002

4 Taxation	2002 £	2001 £
Domestic current year tax		
U.K. corporation tax	224,556	221,566
Adjustment for prior years	(1,292)	3,930
Current tax charge	223,264	225,496
Deferred tax		
Deferred tax charge/credit current year	31,844	(1,498)
Deferred tax adjust re previous year	-	(143)
	31,844	(1,641)
	255,108	223,855
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	712,421	490,177
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2001 : 30.00%)	213,726	147,053
Effects of:		
Non deductible expenses	3,609	59,894
Depreciation	22,121	21,057
Capital allowances	(14,900)	(6,438)
Adjustments to previous periods	(1,292)	3,930
	9,538	78,443
Current tax charge	223,264	225,496

5 Dividends	2002 £	2001 £
Ordinary interim paid	58,500	58,500
Ordinary final proposed	149,500	175,792
	208,000	234,292

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2002

6 **Tangible fixed assets**

	Freehold land and buildings	Fixtures, fittings, tools and equipment	Plant, machinery and motor vehicles	Total
	£	£	£	£
Cost				
At 1 June 2001	4,364,780	74,878	193,763	4,633,421
Additions	-	5,269	40,500	45,769
At 31 May 2002	4,364,780	80,147	234,263	4,679,190
Depreciation				
At 1 June 2001	377,536	61,228	82,671	521,435
Charge for the year	43,681	5,644	24,413	73,738
At 31 May 2002	421,217	66,872	107,084	595,173
Net book value				
At 31 May 2002	3,943,563	13,275	127,179	4,084,017
At 31 May 2001	3,987,244	13,650	111,092	4,111,986

Included above are assets held under finance leases or hire purchase contracts as follows:

	Plant, machinery and motor vehicles
	£
Net book values	
At 31 May 2002	-
At 31 May 2001	25,591
Depreciation charge for the year	
31 May 2002	-
31 May 2001	7,695

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2002

7 Fixed asset investments

	Shares in subsidiary undertakings £
Cost	
At 1 June 2001 & at 31 May 2002	350,106
Provisions for diminution in value	
At 1 June 2001	-
Charge for the year	100
At 31 May 2002	100
Net book value	
At 31 May 2002	350,006

Holdings of more than 20%
The company holds more than 20% of the share capital of the following:

Company	Country of registration or incorporation	Shares held Class	%
Subsidiary undertakings			
Lambert Brothers Haulage Limited	England and Wales	Ordinary	100

The aggregate amount of capital and reserves and the results of the above for the last relevant financial year were as follows:

	Capital and reserves	Profit for the year
Lambert Brothers Haulage Limited	1,363,178	307,900

The investment of £350,006 in Lambert Brothers Haulage Limited represents the shareholding at a cost of £1,950,001 less dividends received which were paid out of the pre acquisition profits of the subsidiary of £1,599,995.

Lambert Brothers Services Limited was struck off in the year.

8 Debtors

	2002 £	2001 £
Trade debtors	47,125	55,119
Amounts owed by subsidiary undertakings	-	440,669
Other debtors	1,415	-
Prepayments and accrued income	5,259	5,416
	53,799	501,204

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2002

9 Creditors: amounts falling due within one year	2002 £	2001 £
Bank loans and overdrafts	900,000	900,000
Net obligations under hire purchase contracts	-	8,723
Amounts owed to subsidiary undertakings	127,756	-
Corporation tax	224,556	221,566
Other taxes and social security costs	3,864	24,589
Other creditors	74,854	82,769
Accruals and deferred income	376,211	353,280
Proposed dividend	149,500	175,792
	1,856,741	1,766,719
Debt due in one year or less	900,000	900,000

Obligations under finance leases and hire purchase contracts are secured by way of a fixed charge over the individual asset concerned.

The bank loan is secured by fixed charges on certain of the freehold properties and other specific charges over assets of the group companies as well as floating charges over all other assets and rights.

The total amount of creditors secured is £900,000 (2001 - £908,723).

Net obligations under hire purchase contracts		
Repayable within one year	-	8,723
Finance charges and interest allocated to future accounting periods	-	-
	-	8,723

10 Provisions for liabilities and charges

	Deferred taxation £
Balance at 1 June 2001	20,508
Profit and loss account	31,844
Balance at 31 May 2002	52,352

Deferred taxation provided in the financial statements is as follows:

	2002 £	2001 £
Accelerated capital allowances	52,352	20,508

Certain of the company's freehold properties were acquired from Lambert Brothers Haulage Limited as part of a group re-organisation in 1998 at their market value. No capital gains tax is likely to arise if these properties were sold for the value which they are shown at in these accounts.

11 Share capital

	2002 £	2001 £
Authorised		
975,000 Ordinary shares of £ 1 each	975,000	975,000
325,001 9% convertible cumulative preferred ordinary shares of £ 1 each	325,001	325,001
	1,300,001	1,300,001
Allotted, called up and fully paid		
325,001 Ordinary shares of £ 1 each	325,001	325,001
975,000 9% convertible cumulative preferred ordinary shares of £ 1 each	975,000	975,000
	1,300,001	1,300,001

Both classes of shares carry the right of one vote for each share held and have equal rights in the event of the company winding up.

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2002

12 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 June 2001	2,969,261
Retained profit for the year	249,313
Balance at 31 May 2002	3,218,574

13 Reconciliation of movements in shareholders' funds

	2002 £	2001 £
Profit for the financial year	457,313	266,322
Dividends	(208,000)	(234,292)
Net addition to shareholders' funds	249,313	32,030
Opening shareholders' funds	4,269,262	4,237,232
Closing shareholders' funds	4,518,575	4,269,262

14 Directors' emoluments

	2002 £	2001 £
Emoluments for qualifying services	206,442	195,617

Emoluments disclosed above include the following amounts paid to the highest paid director:

Emoluments for qualifying services	180,963	172,346

15 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2002 Number	2001 Number
Directors	5	5

Employment costs

	£	£
Wages and salaries	385,308	355,428
Social security costs	47,462	42,563
	432,770	397,991