

SMITH'S DISTRIBUTION LIMITED

ABBREVIATED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST MARCH 2000

Company registration number 2802221

STEPHENSON SMART & CO.
80A OSWALD ROAD
SCUNTHORPE
NORTH LINCOLNSHIRE



SMITH'S DISTRIBUTION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2000

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DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2000

DIRECTORS' RESPONSIBILITIES

Company law requires us as 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 we 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 a going concern basis unless it is inappropriate to presume that the Company will continue in business.

We are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable us to ensure that the financial statements comply with the Companies Act 1985. We 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.

DIRECTORS: D.S. Peace
 M.N. Smith
 A.E. Smith

SECRETARY: S.E. Foster

REGISTERED OFFICE: 7 High Street
 SCOTTER
 Gainsborough
 Lincolnshire
 DN21 3TN

REVIEW OF BUSINESS

The principal business activity continues to be that of road hauliers. The Directors are satisfied with the results for the year and are hopeful that profitable trading conditions will continue in the future.

RESEARCH AND DEVELOPMENT

The Company has incurred no expenditure on research and development during the year.

EVENTS SINCE THE END OF THE YEAR

There are no events since the end of the year which should be brought to the attention of the Shareholders.

FIXED ASSETS

The movement in fixed assets is shown in the notes to the accounts.

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31ST MARCH 2000

RESULTS AND DIVIDENDS

The results of the year's trading, the financial position of the Company and the transfer to reserves are shown in the annexed financial statements.

The Company's profit for the year, before taxation, amounted to £34,165, (1999 : £36,699).

The Directors recommend that no dividend be paid.

DIRECTORS

The present Directors are as shown on page 1(a).

The Company's Articles of Association do not require Directors to retire by rotation.

DIRECTORS' INTERESTS

The interests of the Directors in the shares of the Company were as follows:-

Beneficial holding:	<u>Ordinary Shares of £1 each</u>	
	<u>End of Year</u>	<u>Start of Year</u>
D.S. Peace	1	1
M.N. Smith	1	1
A.E. Smith	-	-

AUDITORS

The auditors, Messrs. Stephenson Smart & Co., have indicated their willingness to accept re-appointment under Section 385(2) of the Companies Act 1985.

BY ORDER OF THE BOARD

..........

SECRETARY

15/11/01

OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 3 to 5(g) together with the financial statements of the Company for the year ended 31st March 2000 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of Directors and Auditors

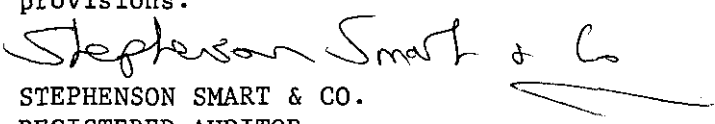
The Directors are responsible for preparing the abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the Company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246A(3) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions 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 Sections 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages 3 to 5(g) are properly prepared in accordance with those provisions.


STEPHENSON SMART & CO.
REGISTERED AUDITOR
80A OSWALD ROAD
SCUNTHORPE
NORTH LINCOLNSHIRE
DN15 7PA

15/1/01

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2000

	<u>Note</u>	<u>Continuing Operations</u>	
		<u>2000</u>	<u>1999</u>
		<u>£</u>	<u>£</u>
<u>GROSS PROFIT</u>		320,122	371,511
Administrative expenses		<u>(249,406)</u>	<u>(302,101)</u>
<u>OPERATING PROFIT</u>	3	<u>70,716</u>	<u>69,410</u>
Profit on ordinary activities before interest		70,716	69,410
Interest payable and similar charges	5	<u>(36,551)</u>	<u>(32,711)</u>
<u>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>		34,165	36,699
Tax on profit on ordinary activities	6	<u>(6,510)</u>	<u>(12,857)</u>
<u>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</u>		<u>27,655</u>	<u>23,842</u>
<u>PROFIT FOR THE FINANCIAL YEAR</u>		27,655	23,842
Dividends		<u>-</u>	<u>-</u>
<u>RETAINED PROFIT FOR THE FINANCIAL YEAR</u>		27,655	23,842
<u>RETAINED PROFITS BROUGHT FORWARD</u>		<u>259,878</u>	<u>236,036</u>
<u>RETAINED PROFITS CARRIED FORWARD</u>		<u>287,533</u>	<u>259,878</u>
		=====	=====

The only recognised gain for the period is the profit for the period of £27,655, (1999 : £23,842).

There were no acquisitions and no discontinued operations in the period.

The annexed notes form part of these financial statements.

SMITH'S DISTRIBUTION LIMITED

4.

BALANCE SHEET - 31ST MARCH 2000

	Note	£	2000	£	1999	£
<u>FIXED ASSETS</u>						
Tangible assets	7		763,619		474,499	
<u>CURRENT ASSETS</u>						
Stocks	8	6,041		8,594		
Debtors	9	1,000,663		925,581		
Cash at bank and in hand		84		73		
		1,006,788		934,248		
<u>CREDITORS</u>						
Amounts falling due within one year	10	1,378,621		1,064,012		
<u>NET CURRENT LIABILITIES</u>			(371,833)		(129,764)	
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>			391,786		344,735	
<u>CREDITORS</u>						
Amounts falling due after more than one year	11		85,023		66,549	
<u>PROVISIONS FOR LIABILITIES AND CHARGES</u>	13		19,227		18,305	
<u>NET ASSETS</u>			287,536		259,881	
<u>CAPITAL AND RESERVES</u>						
Called up share capital	14		3		3	
Profit and loss account			287,533		259,878	
<u>SHAREHOLDERS' FUNDS</u>	15		287,536		259,881	

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

These financial statements were approved by the Board on 15/1/01.....

Signed on behalf of the Board of Directors

..... *D. Place* Director

The annexed notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31ST MARCH 20001. ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below and have been consistently applied within the accounts.

(a) Basis of preparation of financial statements

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

The effect of events relating to the year ended 31st March 2000 which occurred before the date of approval of the financial statements by the Board of Directors, have been included in the statements to the extent required to show a true and fair view of the state of affairs at 31st March 2000 and of the results for the year ended on that date.

(b) Depreciation

Depreciation has been computed to write off the cost of tangible fixed assets over their expected useful lives using the following rates:

Freehold land	- No depreciation provided
Freehold buildings	- 2% per annum of cost
Haulage vehicles	- 25% per annum of net book value
Trailers and equipment	- 25% per annum of net book value
Office equipment	- 25% per annum of net book value
Motor cars	- 25% per annum of net book value

(c) Stocks

Stocks have been valued at the lower of cost and net realisable value.

(d) Deferred taxation

Deferred taxation is provided on the liability method to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may crystallise.

(e) Leasing

Tangible fixed assets acquired under finance leases or hire purchase contracts are capitalized and depreciated in the same manner as other tangible fixed assets. The related obligations, net of future finance charges, are included in creditors.

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) - YEAR ENDED 31ST MARCH 20001. ACCOUNTING POLICIES - (CONTINUED)

(f) Pension costs

The Company operates a defined contribution pension scheme.
Contributions paid are charged to the profit and loss account.

(g) Cash flow statement

The Company has adopted the Financial Reporting Standard No. 1 and under the exemptions available has not prepared a cash flow statement on the grounds that it is a small Company.

2. TURNOVER

The Company's turnover represents the value, excluding value added tax, of goods and services supplied to customers during the year.

3. OPERATING PROFIT

Operating profit is stated after charging:-

	<u>2000</u> £	<u>1999</u> £
Directors' fees	-	-
Directors' emoluments	<u>35,649</u>	<u>19,867</u>
Total Directors' emoluments	35,649	19,867
Auditors' remuneration and expenses	3,700	3,550
Depreciation of owned assets	56,701	57,185
Depreciation of assets held under finance leases and hire purchase contracts	49,696	47,233
Loss on sale of tangible fixed assets	3,626	-
Hire of plant and machinery - Operating leases	33,127	26,848
	=====	=====

and after crediting:-

Profit on sale of tangible fixed assets	-	1,563
	=====	=====

One Director (1999 : one) was accruing benefits under a money purchase pension scheme.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) - YEAR ENDED 31ST MARCH 20004. STAFF COSTS

The average number of persons employed by the Company, including Directors, during the year was 30, (1999 : 31).

The aggregate payroll costs of these persons were as follows:

	<u>2000</u> £	<u>1999</u> £
Wages and salaries	521,800	446,759
Social security	45,407	40,493
Other pension costs	<u>8,003</u>	<u>14,004</u>
	575,210	501,256
	=====	=====

5. INTEREST PAYABLE AND SIMILAR CHARGES

	<u>2000</u> £	<u>1999</u> £
Interest payable - Bank loans and overdrafts and other loans repayable within five years	22,271	15,607
Finance charges payable - Finance leases and hire purchase contracts	<u>14,280</u>	<u>17,104</u>
	36,551	32,711
	=====	=====

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	<u>2000</u> £	<u>1999</u> £
Corporation tax at 20% (1999 : 21%)	5,588	11,552
Deferred taxation at 20% (1999 : 21%)	<u>922</u>	<u>1,305</u>
	6,510	12,857
	=====	=====

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) - YEAR ENDED 31ST MARCH 20007. TANGIBLE ASSETS

<u>Cost</u>	<u>Freehold Land</u>	<u>Haulage Vehicles</u>	<u>Trailers and Equipment</u>	<u>Office Equipment</u>	<u>Motor Cars</u>	<u>Total</u>
	£	£	£	£	£	£
At 1st April 1999	99,652	554,625	201,202	31,671	69,750	956,900
Additions	274,409	106,500	15,860	6,144	-	402,913
Disposals	-	(45,000)	-	-	-	(45,000)
At 31st March 2000	374,061	616,125	217,062	37,815	69,750	1,314,813

Depreciation

At 1st April 1999	-	351,673	90,017	5,242	35,469	482,401
Charge for the year	-	59,226	30,543	8,048	8,580	106,397
Eliminated on disposals	-	(37,604)	-	-	-	(37,604)
At 31st March 2000	-	373,295	120,560	13,290	44,049	551,194

NET BOOK VALUE

At 31st March 1999	99,652	202,952	111,185	26,429	34,281	474,499
At 31st March 2000	374,061	242,830	96,502	24,525	25,701	763,619

Included in the total net book value of tangible fixed assets held at 31st March 2000 was £221,902, (1999 : £160,334), in respect of assets held under finance leases and hire purchase contracts.

8. STOCKS

	<u>2000</u>	<u>1999</u>
	£	£
Consumables	6,041	8,594
	=====	=====

9. DEBTORS - ALL RECEIVABLE WITHIN ONE YEAR

	<u>2000</u>	<u>1999</u>
	£	£
Trade debtors	981,178	893,707
Other debtors	3	3
Prepayments and accrued income	19,482	31,871
	1,000,663	925,581
	=====	=====

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) - YEAR ENDED 31ST MARCH 200010. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>2000</u>	<u>1999</u>
	£	£
Bank loans and overdrafts	425,677	270,015
Trade creditors	741,124	591,329
Other creditors	36,070	51,082
Corporation tax	5,588	11,552
Other tax and social security	84,554	51,940
Obligations under finance leases and hire purchase contracts	81,008	83,524
Accruals and deferred income	<u>4,600</u>	<u>4,570</u>
	1,378,621	1,064,012
	=====	=====

The bank loans and overdraft are secured by a fixed and floating charge over the assets of the Company.

11. CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	<u>2000</u>	<u>1999</u>
	£	£
Obligations under finance leases and hire purchase contracts	85,023	66,549
	=====	=====

12. BORROWINGSAnalysis of Maturity of Debt

	<u>2000</u>	<u>1999</u>
	£	£
Bank loans and overdraft		
Within one year or on demand	425,677	270,015
	=====	=====
Obligations under finance leases and hire purchase contracts		
Within one year or on demand	81,008	83,524
Between one and two years	46,499	39,210
Between two and five years	38,524	27,339
	=====	=====

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) - YEAR ENDED 31ST MARCH 200013. PROVISIONS FOR LIABILITIES AND CHARGES

	<u>Deferred Taxation</u> £
Balance at 1st April 1999	18,305
Charge for the year	<u>922</u>
Balance at 31st March 2000	19,227 =====

The amount provided and the potential liability for deferred taxation is as follows:-

	<u>2000</u>		<u>1999</u>	
	<u>Provided</u>	<u>Potential</u>	<u>Provided</u>	<u>Potential</u>
	£	£	£	£
The accumulated excess of capital allowances over corresponding depreciation	19,227 =====	19,227 =====	18,305 =====	18,305 =====

14. SHARE CAPITAL

	<u>Authorised</u> £	Allotted Called up and Fully paid £
Ordinary shares of £1 each	1,000 =====	3 ===

There have been no changes during the year.

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>2000</u> £	<u>1999</u> £
Profit for the financial year	<u>27,655</u>	<u>23,842</u>
Net addition to Shareholders' funds	27,655	23,842
Opening Shareholders' funds	<u>259,881</u>	<u>236,039</u>
Closing Shareholders' funds	287,536 =====	259,881 =====

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) - YEAR ENDED 31ST MARCH 2000

16. PENSION COSTS

The Company operates a defined contribution pension scheme.
Contributions paid are charged to the profit and loss account.
The charge for the year was £8,003, (1999 : £14,004).

17. RELATED PARTIES

The Company was controlled by two of its Directors, Mrs. D.S. Peace and Mr. M.N. Smith, by virtue of the fact that they own 2/3 of the Company's ordinary issued share capital.